

Rec'd MDO JUN 13 1985

SUBMIT IN **DUPLICATE**  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☒

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

MCOR Oil and Gas **ASOP MINING** (213)-474-6264

3. ADDRESS OF OPERATOR

10880 Wilshire Blvd., Los Angeles, Ca. 90024

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

2450' FNL & 1680' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

16 air miles SW of Dove Creek, Colo.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

190'

16. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

6300'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6219' grd.

22. APPROX. DATE WORK WILL START\*

Upon Approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

- Well is 2,450' from closest unit boundary line. MCOB has 100% working interest.
- This is an unorthodox location based on archaeological and geological conditions. Request an exception be granted *per* Rule C-3(c). The ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas lease under the proposed location.
- Drilling program is on Pages 1-6.
- Surface owner is Mary Mellott.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Brian Wood TITLE Consultant DATE 6-13-85

(This space for Federal or State office use)

PERMIT NO. 18/ GENE NODINE APPROVAL DATE 17 JUN 1985

APPROVED BY DISTRICT MANAGER DATE 17 JUN 1985

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF  
GAS IS SUBJECT OF NTL 4-A  
DATED 1/1/80

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Date of Mail - 6/13/85

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 1

All lease operations will be conducted in full compliance with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Order #1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. The operator will furnish a copy of these conditions to his field representative to ensure compliance.

### 8 Point Drilling Program

1. The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>Depth</u>	<u>Above Sea Level</u>
Dakota Sandstone	0000'	+6219'
Chinle	2250'	+3969'
Upper Ismay	5916'	+ 303'
Lower Ismay	6088'	+ 131'
Lower Desert Creek	6210'	+ 9'
Akah	6290'	- 71'

2. The estimated depths at which water, oil, gas, or other mineral bearing zones are expected to be encountered are:

Lower Desert Creek Porosity (Oil): Top----- 6210'  
Bottom--6240'

Surface casing will be set in the Chinle. Water bearing zones will be protected with weighted mud. All fresh water encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.



MCOR OIL AND GAS CORPORATION  
10880 Wilshire Boulevard  
Los Angeles, CA 90024 - (213) 879-5252

June 11, 1985

TO WHOM IT MAY CONCERN:

This letter hereby authorizes Mr. Brian Wood of Permits West Inc. to act as my agent in signing the Application to Drill for the Bug Point #1-7 Federal well.

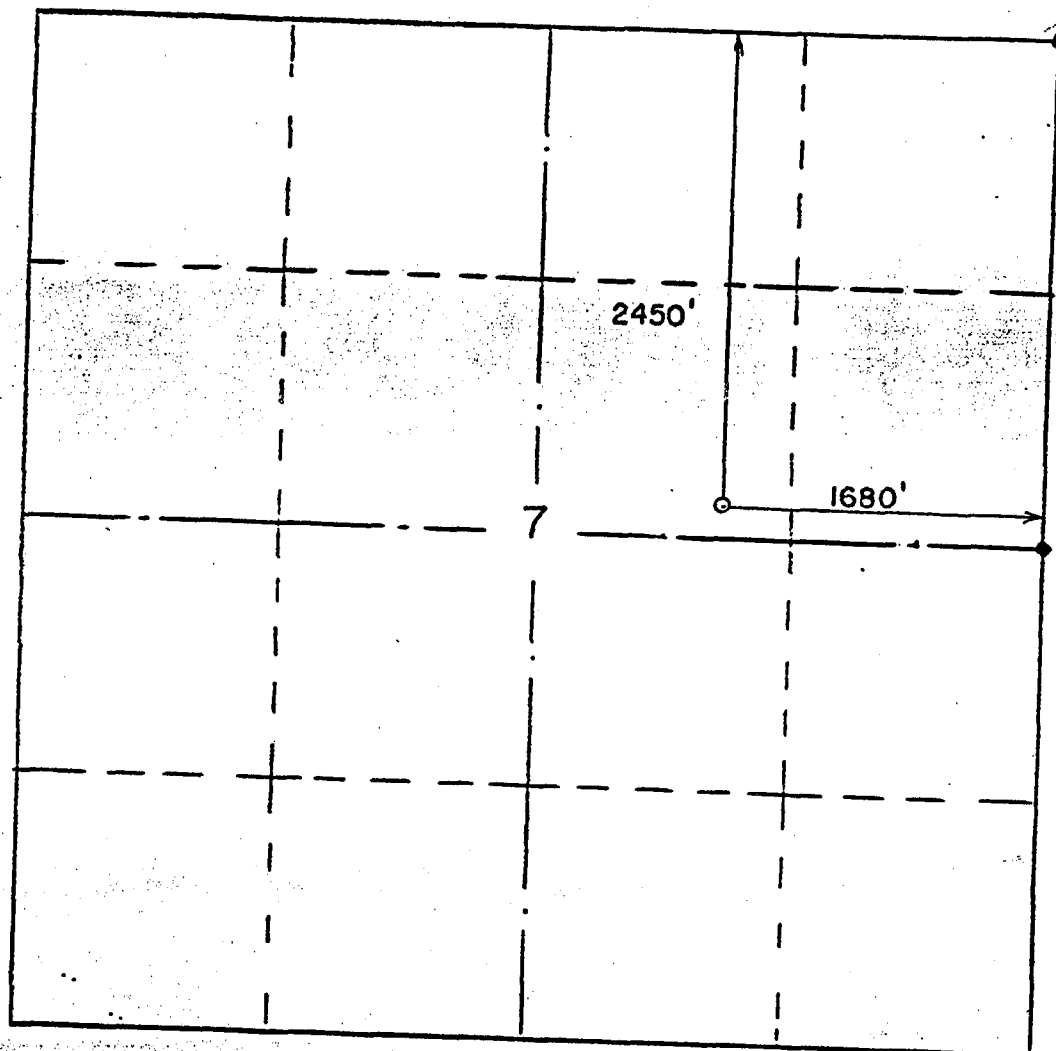
Sincerely,

MCOR OIL AND GAS CORPORATION

A handwritten signature in cursive script that reads 'J. E. Walton'.

J. E. Walton  
Manager - Operations  
Western Region

JEW/ALS/als



Operator <b>MCO Resources</b>		Well name <b>BUG POINT 1-7 Federal</b>	
Section <b>7</b>	Township <b>37 South</b>	Range <b>26 East</b>	Meridian <b>SLM</b>
Footages <b>2450' FN &amp; 1680' FE</b>		County/State <b>San Juan, UT</b>	Elevation <b>6219'</b>
Formation	Dedicated Acreage	Requested by <b>Brian Wood</b>	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p><b>5-16-85</b></p> <p style="text-align: center;"> </p>			

MCOR Oil and Gas Corp.  
Well No. Bug Point 1-7 Federal  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah  
Lease U-23752

Conditions of Approval:

1. Pressure tests on the B.O.P.'s will be at least 2000 psi.
2. A backup source capable of closing the B.O.P.'s in the event of a primary source failure will be available on location.
3. All mechanical and pressure tests on B.O.P.'s will be recorded on the drillers log.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

(Other instructions on  
reverse side)

5. Lease Designation and Serial No.

U-23752

6. If Indian, Allottee or Tribe Name

N/A

7. Unit Agreement Name

Bug Point

8. Farm or Lease Name

Bug Point

9. Well No.

1-7 Federal

10. Field and Pool, or Wildcat

Wildcat

11. Sec., T., R., M., or Blk.  
and Survey or Area

7-37S-26E SLBM

12. County or Parish

San Juan Utah

13. State

160

20. Rotary or cable tools

Rotary

22. Approx. date work will start\*

Upon Approval

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☒Gas Well ☐

Other

Single Zone ☒Multiple Zone ☐

2. Name of Operator

MCOR Oil and Gas Corp. (213)-474-6264

3. Address of Operator

10880 Wilshire Blvd., Los Angeles, Ca. 90024

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

2450' FNL &amp; 1680' FEL

At proposed prod. zone

Same

14. Distance in miles and direction from nearest town or post office\*

16 air miles SW of Dove Creek, Colo.

15. Distance from proposed\*

location to nearest  
property or lease line, ft.  
(Also to nearest drlg. line, if any)

190'

16. No. of acres in lease

120

17. No. of acres assigned  
to this well

160

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
or applied for, on this lease, ft.

N/A

19. Proposed depth

6300' *pkal*

21. Elevations (Show whether DF, RT, GR, etc.)

6219' grd.

23.

PROPOSED CASING AND CEMENTING

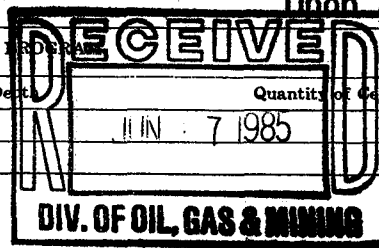
Size of Hole

Size of Casing

Weight per Foot

Setting Depth

Quantity of Cement



1. Well is 2,450' from closest unit boundary line. MCOR has 100% working interest.
2. This is an unorthodox location based on archaeological and geological conditions. Request an exception be granted *per* Rule C-3(c). The ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas lease under the proposed location.
3. Drilling program is on Pages 1-6.
4. Surface owner is Mary Mellott.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

*Ben Wood*

Title

Consultant

Date

6-13-85

(This space for Federal or State office use)

Permit No.

Approval Date

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

Approved by

Title

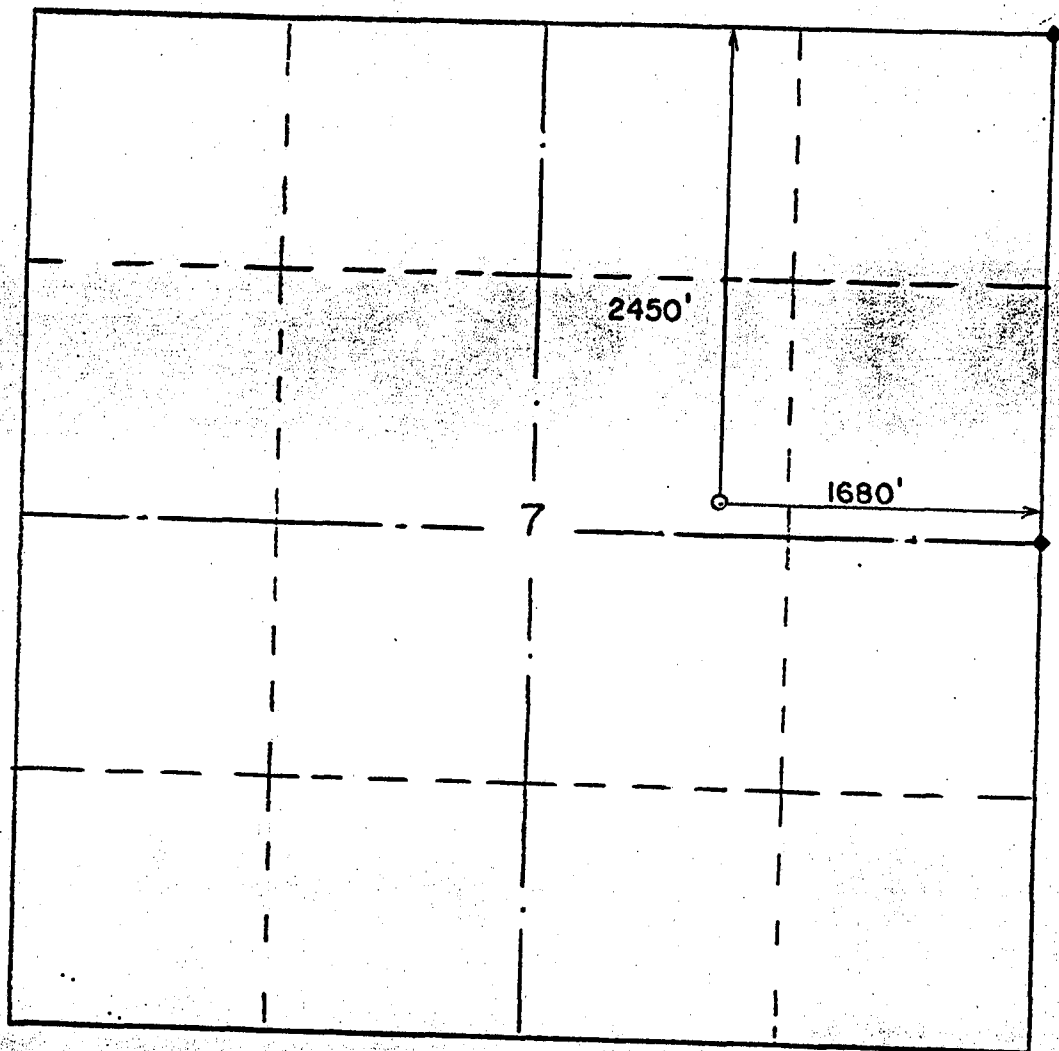
Conditions of approval, if any:

DATE: 6/18/85

BY: *John R. B...*

\*See Instructions On Reverse Side

WELL SPACING: 4-3 Unit well



Operator <b>MCO Resources</b>		Well name <b>BUG POINT 1-7 Federal</b>	
Section <b>7</b>	Township <b>37 South</b>	Range <b>26 East</b>	Meridian <b>SLM</b>
Footages <b>2450' FN &amp; 1680' FE</b>		County/State <b>San Juan, UT</b>	Elevation <b>6219'</b>
Formation	Dedicated Acreage	Requested by <b>Brian Wood</b>	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p><b>5-16-85</b></p> <p><i>Gerald G. Huddleston</i> Gerald G. Huddleston, L.S.</p> <p><b>REGISTERED LAND SURVEYOR</b> <b>No. 5705</b> <b>STATE OF UTAH</b></p>			



MCOR OIL AND GAS CORPORATION

10880 Wilshire Boulevard

Los Angeles, CA 90024 • (213) 879-5252

June 11, 1985

TO WHOM IT MAY CONCERN:

This letter hereby authorizes Mr. Brian Wood of Permits West Inc. to act as my agent in signing the Application to Drill for the Bug Point #1-7 Federal well.

Sincerely,

MCOR OIL AND GAS CORPORATION

J. E. Walton  
Manager - Operations  
Western Region

JEW/ALS/als



## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:  
SERIAL NO.: UTAH 23752

and hereby designates

NAME: MCOR Oil and Gas Corporation  
10880 Wilshire Boulevard  
ADDRESS: Los Angeles, California 90024

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 37 South, Range 26 East

Section 7: W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

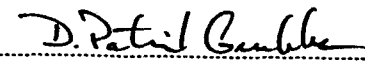
ATTEST:

CHORNEY OIL COMPANY

  
Ass't. Sec.

May 28, 1985

(Date)

  
Vice Pres. (Signature of lessee)  
555 17th Street, Ste 1000  
Denver, CO 80202-3910

(Address)

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Moab, Utah  
SERIAL No.: U-23752

and hereby designates

NAME: MCOR Oil and Gas Corporation  
ADDRESS: 10880 Wilshire Boulevard  
Los Angeles, California 90024

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 37 South, Range 26 East, S.L.M.

Section 7:  $W\frac{1}{2}NE\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$


containing 120.00 acres, more or less, in  
San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

GETTY OIL COMPANY

By:   
Attorney-in-Fact (Signature of lessee)

May 29, 1985

(Date)

P.O. Box 2100  
Denver, Colorado (Address) 80206

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:

SERIAL NO.: UTAH 45926

and hereby designates

MCOR Oil and Gas Corporation

NAME: 10880 Wilshire Boulevard

ADDRESS: Los Angeles, California 90024

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 37 South, Range 26 East

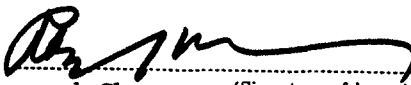
Section 7: W $\frac{1}{2}$

San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

  
Raymond Chorney (Signature of lessee)  
555 17th Street, Ste 1000  
Denver, CO 80202-3910

May 28, 1985

(Date)

(Address)

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Moab, Utah  
SERIAL No.: U-45926

and hereby designates

NAME: MCOR Oil and Gas Corporation  
ADDRESS: 10880 Wilshire Boulevard  
Los Angeles, California 90024

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 37 South, Range 26 East, S.L.M.

Section 7: W $\frac{1}{2}$

containing 320.00 acres, more or less, in San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

GETTY OIL COMPANY

By: 

(Signature of lessee)

Attorney-in-Fact

May 29, 1985

(Date)

P.O. Box 2100

Denver, Colorado 80201

(Address)

DU-262

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: SALT LAKE CITY, UTAH  
SERIAL NO.: U-45926

and hereby designates

NAME: MCOR OIL AND GAS CORPORATION  
10880 Wilshire Boulevard  
ADDRESS: Los Angeles, CA 90024

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

TOWNSHIP 37 South, RANGE 26 East, SLM  
Section 7: W/2  
San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

DONALD B. ANDERSON, LTD.

BY:



(Signature of lessee)

Donald B. Anderson, General Partner  
1060 Three Park Central  
Denver, CO 80220

(Address)

May 31, 1985

(Date)

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 2

3. BOP systems will be consistent with API RP 53. A schematic diagram of the 10" 3000 psi BOP is on the following page.

Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or abandoned. Preventers will be pressure tested before drilling casing cement plugs.

BOPs will be inspected and operated at least daily to ensure good mechanical working order. This inspection will be recorded on the daily drilling report.

4. The proposed casing program is:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth</u>
20"	16"	Conductor Pipe			New	0'- 80'
12-1/4"	8-5/8"	24*	K-55	ST&C	New	0'-2300'
7-7/8"	5-1/2"	17*	K-55	ST&C	New	0'-6300'

The proposed cementing program is:

Conductor Pipe: Redimix - cement to surface

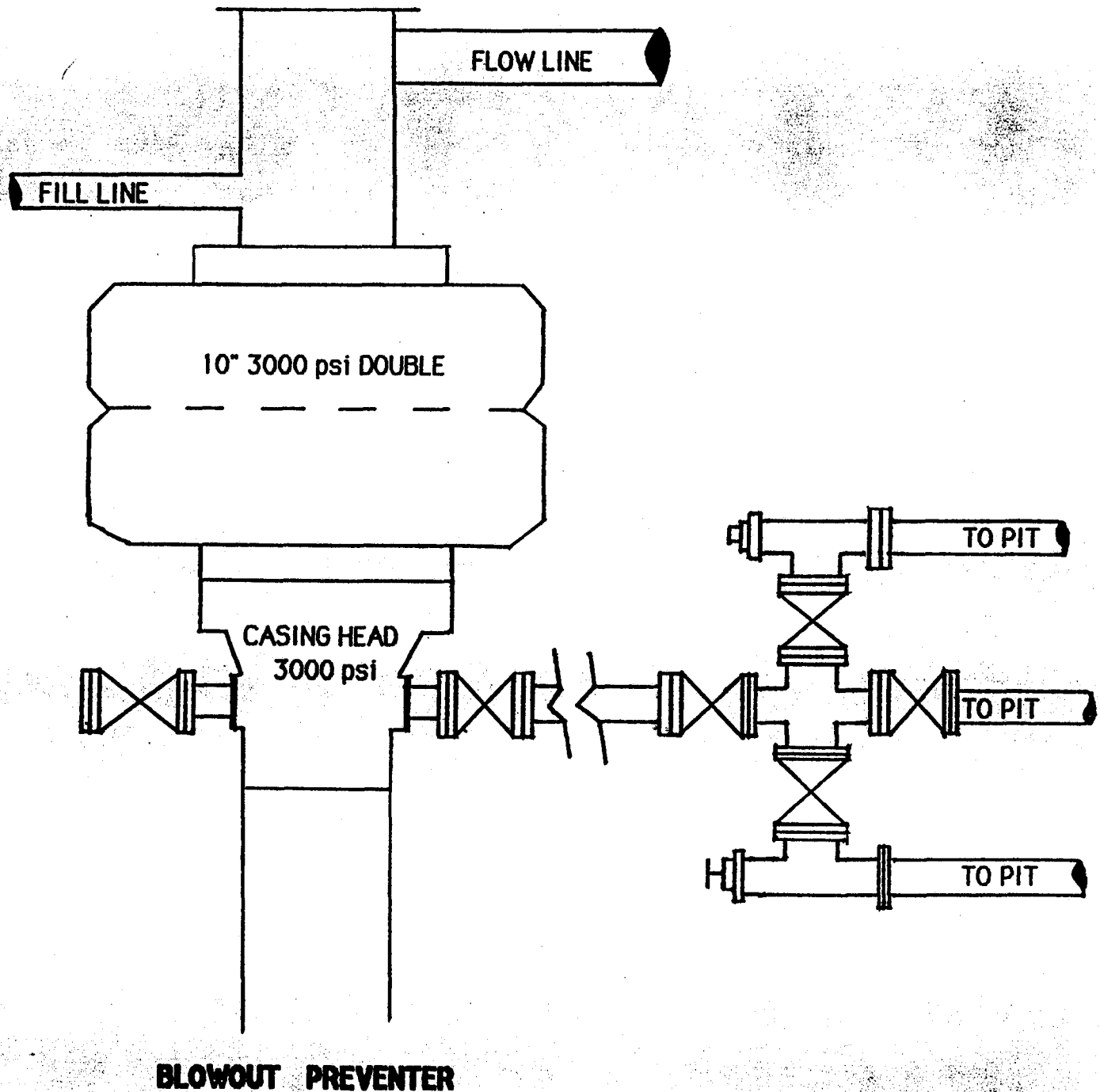
Surface Casing: 870 sx "light" plus additives, cement to surface

Production Casing: 300 sx plus additives, 1500' linear fill up

There will be a stabbing valve on the floor.

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 3



MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 4

5. The proposed mud program is:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Water Loss</u>	<u>pH</u>
0'-2300'	Water & Gel	8.8	35	N/C	8
2300'-5500'	Chemical	9-11	35-40	15-20	11
5500'-TD	Chemical	11-12	45	8-10	11

A mud logging unit and gas detector will be used.

6. One drill stem test will be run in the Lower Desert Creek.

The following logs will be run:

DIL - SFL: Base of Surface Casing to Total Depth

BHC Sonic: Base of Surface Casing to Total Depth

FDC - CNL: 4000' to Total Depth

One whole core analysis will be taken in the Lower Desert Creek if it appears to be reservoir rock, otherwise it will be a 1' P&P analysis.

Whether the well is completed as a dry hole or producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well, or after completion of operations being performed, *per* 43 CFR 3164. Two copies of all logs, core descriptions & analyses, well test data, geologic summaries, sample descriptions, and all other data obtained during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. (If requested, sample cuttings, fluids, and/or gases will be submitted to the District Manager.)



MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

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7. The expected bottom hole pressure is 3000 psi.  
No abnormal pressures, temperatures, or hydrogen sulfide are expected.
8. The anticipated spud date is June 25, 1985. It is expected it will take 16 days to drill the well and 10 days to complete the well.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be phoned to the Resource Area, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5), reporting the spud date and time, will be sent to the District Manager within 24 hours after spudding. If the spud is on a weekend or holiday, the Sundry will be sent on the following regular work day.

Starting with the month in which operations begin, and continuing each month until the well is physically plugged and abandoned, a "Monthly Report of Operations" (Form 3160-6) will be sent to the District Manager.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual events will be promptly reported to the Resource Area *per* NTL-3A.

If a replacement rig is planned for completion, a Sundry Notice to that effect will be filed for prior approval of the District Manager. All conditions of this approved plan apply to all operations of the replacement rig. In emergencies, verbal approval can be given by the District Manager.

If the well is successfully completed for production, then the District Manager will be notified. Written notification will be sent not later than 5

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

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business days following the date on which the well is placed on production. The Resource Area will schedule a first production conference within 15 days after receipt of the first production notice.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Manager. This preliminary approval will not exceed 30 days or 50 MMcf of gas. Approval to vent/flare beyond this initial period will require the District Manager's approval *per* NTL-4A

No well abandonment operations will begin without the prior approval of the District Manager. With newly drilled dry holes, failures, or emergencies, oral approval will be obtained from the District Manager. A Sundry Notice will be sent to the District Manager within 30 days following completion of the well for abandonment. The Sundry will note where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the reclamation required by the approved APD or abandonment notice has been completed to the satisfaction of the surface owner.

Once plugged, a regulation dry hole marker will be erected. The following information will be beaded on with a welding torch: MCOR Oil and Gas Corp., Bug Point 1-7 Federal, SWNE 7-37-26, U-23752.

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

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### 13 Point Surface Use Plan

#### 1. EXISTING ROADS (See Pages 15 & 16)

From the Blue Mt. Cafe in Dove Creek go south 2.7 miles on Road 7.  
Then turn west and go 1.0 miles on Road L.  
Then turn south at a gravel pit and go 2.9 miles on Road 6.  
Then turn west and go 10.1 miles south and west toward Bug Point.  
Then turn south at a tank battery and go 2.5 miles south and west.  
Then turn west at the second cattleguard and go 1.2 miles south and west.  
Then turn east and go 0.8 miles east and south along a wheat field.  
Then turn south into the trees and go 0.2 miles to a gate.  
Then turn southeast after passing through the gate and go 0.3 miles south to the point at which new construction will begin.

Except for the final 1.3 miles, all access is across county roads which will need no upgrading. The roads will be maintained to a standard equal to their present condition. An Encroachment Permit has been approved by the San Juan County Road Dept.

The final 1.3 miles of existing road is across private land. This road will be flat bladed 20' wide during exploration. If production results, then - based on the surface owner's preference - the road may either be crowned, ditched, and rocked; or a new road for production may be built east to the Bug Pt. Road in Sec. 8. A Sundry will be submitted if the latter is chosen.

#### 2. PLANNED ACCESS ROADS (See Page 16)

From the point at which new construction will begin, a road 0.3 miles in length will curve east to the well. The road will be flat bladed, 20' wide, and have one 24" culvert. If the well is a producer, then the road may either

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 8

be crowned, ditched, and rocked; or reclaimed and a new road built east to the Bug Pt. Road in Sec. 8. (A Sundry will be submitted if the latter is chosen.) Maximum grade will be 8%. There will be no turnouts or major cuts or fills.

### 3. EXISTING WELLS

There are no water, injection, producing, or drilling wells within a 1 mile radius of the location.

### 4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. A Sundry Notice will be submitted for approval before they are installed.

If a tank battery is built, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the battery. All loading lines will be placed inside the dike.

All site security guidelines in 43 CFR 3162.7 will be obeyed. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease must have the prior written approval from the District Manager.

Gas meter runs for each well will be within 500' of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500' downstream of the meter run and any production facilities. Meter runs will be housed and/or fenced.

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

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The oil and gas measurement facilities will be installed on the well location. Meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meters, and at least quarterly thereafter. The Resource Area will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be sent to the Resource Area. All meters will conform with the API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

#### 5. WATER SUPPLY

The landowner has given us permission to haul water from his pond in SESE 16-36-26. A temporary application to appropriate water has been approved by the State of Utah.

#### 6. CONSTRUCTION MATERIALS

All construction materials are native *in situ* soils on lease. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

#### 7. WASTE DISPOSAL

The reserve pit will not be lined. At least half of the capacity will be in cut. It will be fenced on 3 sides with 4 strands of barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit is drying.

All trash will be placed in a portable trash cage. When full, it will be hauled to an approved landfill in Colorado. The road and pad will be kept litter free.

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Human waste will be disposed of in 20' deep ratholes or chemical toilets. The ratholes will be immediately filled when the trailers are removed.

Produced water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an NTL-2B application will be submitted for the District Manager's approval of a permanent disposal method and site.

#### 8. ANCILLARY FACILITIES

There will be no ancillary facilities.

#### 9. WELL SITE LAYOUT

See Pages 17-19 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

#### 10. RECLAMATION

The reclamation plan agreed upon between MCOR Oil and Gas Corp. and the surface owner is on Pages 20-22.

If the well is a producer, then that portion of the well pad not needed for production will be recontoured and reseeded with a crested wheat field mix.

If the well is a dry hole and once the reserve pit is dry, then the well pad will be recontoured and reseeded with a crested wheat field mix. The final 0.3 miles of road will be closed, reclaimed, and reseeded with the same seed mix. The other 1.3 miles of previously existing access road will be

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
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narrowed and reclaimed back to its original condition. Water bars will be installed as deemed necessary by the landowner.

#### 11. SURFACE OWNER

The surface owner of the pad and road is Mary Mellott. Mineral owner is U.S. Government.

#### 12. OTHER INFORMATION

There will be no change from the proposed drilling and/or workover plan without prior approval from the District Manager. A Sundry Notice will be filed for approval for all changes of plans and other operations *per* CFR 43 3164.

Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified *per* 43 CFR 3162.2.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the Resource Area will be called. All people who are in the area will be informed by MCOR that they are subject to prosecution for disturbing archaeological sites or picking up artifacts.

This permit will be valid for one year from the date of approval. After the permit expires, a new application will be filed for approval of any future operations.

The District Manager's mailing address is P.O. Box 970, Moab, Utah 84532. His phone number is 801-259-6111.

MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

PAGE 12

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535.  
The phone number is 801-587-2201, ask for Rich McClure.

The nearest hospital is 3 blocks northwest of the stoplight in Monticello, Utah. Phone number is 801-587-2116.

### 13. REPRESENTATION AND CERTIFICATION

For questions concerning the APD, please contact:

Brian Wood  
Permits West, Inc.  
P.O. Box 1105  
Monticello, Utah 84535  
801-587-2087

MCOR Oil and Gas Corporation's field representative is:

A. Jordan McNay, Manager - Drilling Operations  
MCOR Oil and Gas Corp.  
10880 Wilshire Blvd.  
Los Angeles, Ca. 90024  
213-474-6264

(After Hours Phone: 213-475-5429)

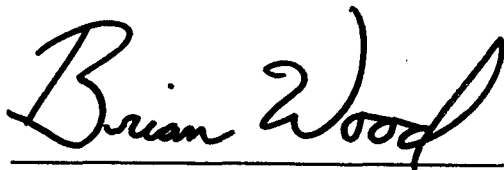


MCOR Oil and Gas Corp.  
Bug Point #1-7 Federal  
2450' FNL & 1680' FEL  
Sec. 7, T. 37 S., R. 26 E.  
San Juan County, Utah

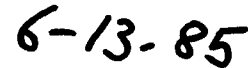
PAGE 13

CERTIFICATION

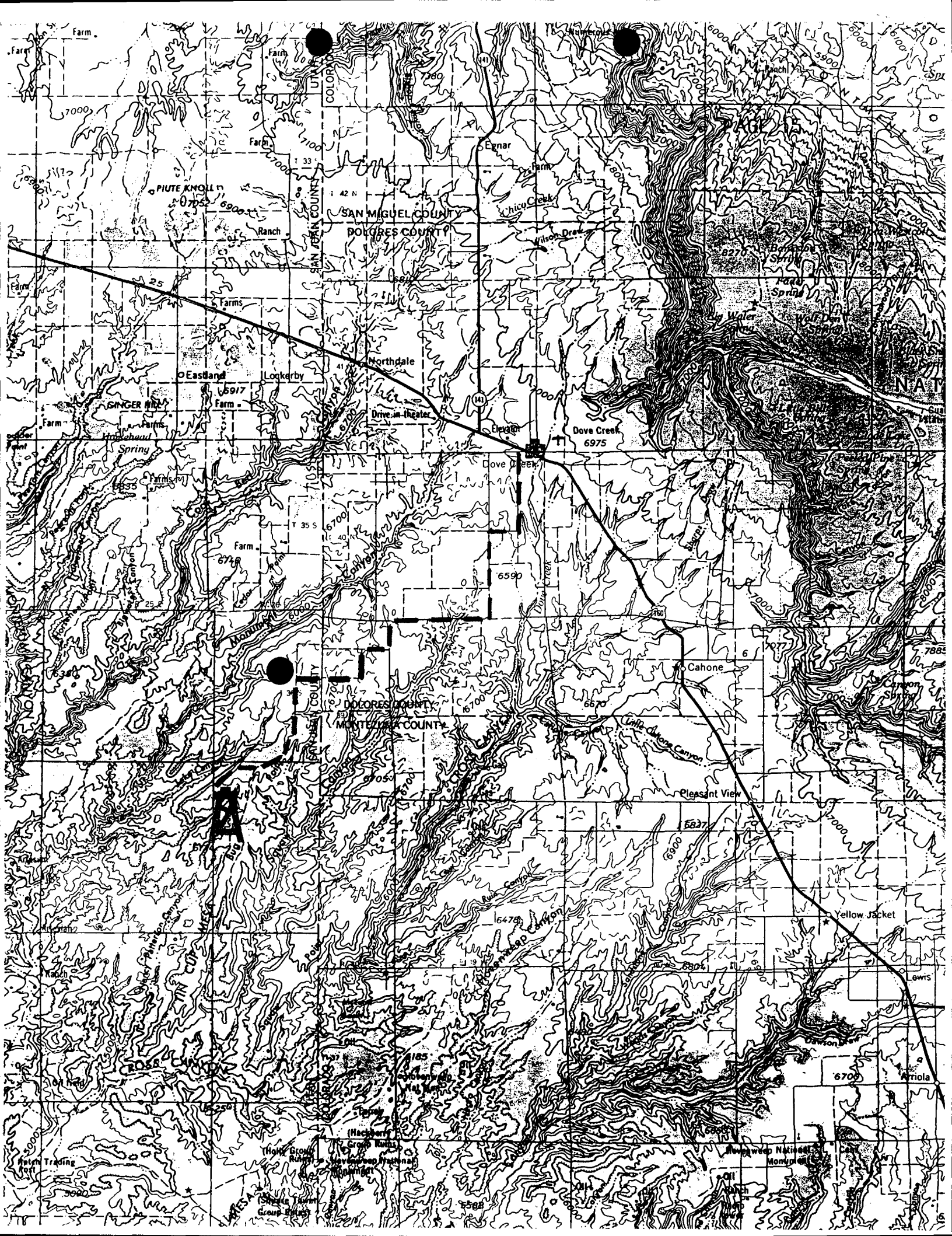
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by MCOR Oil and Gas Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Brian Wood, Consultant for MCOR Oil and Gas Corp.



Date



WATER SOURCE

COUNTY ROADS

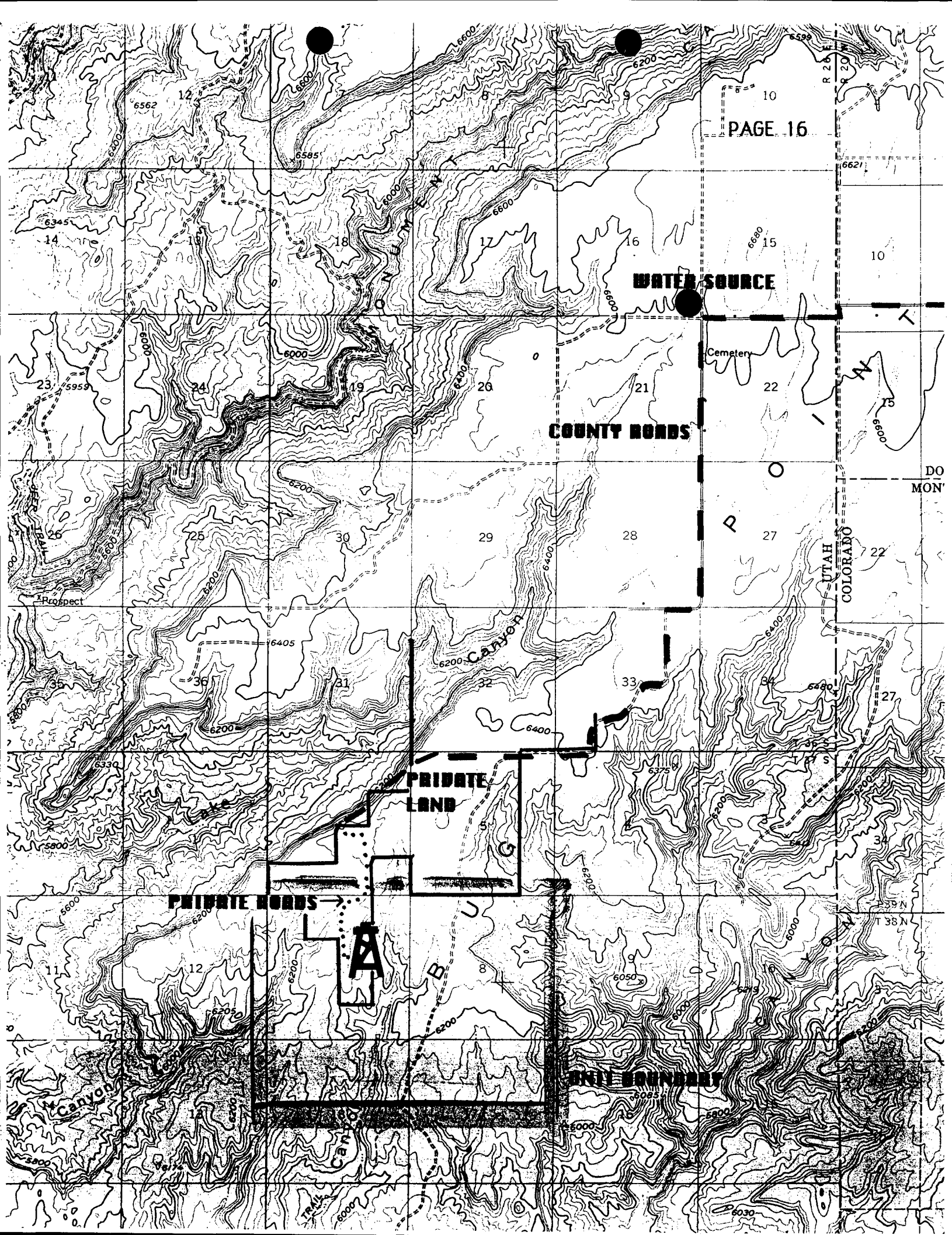
PRIVATE LAND

PRIVATE ROADS

RAILROAD

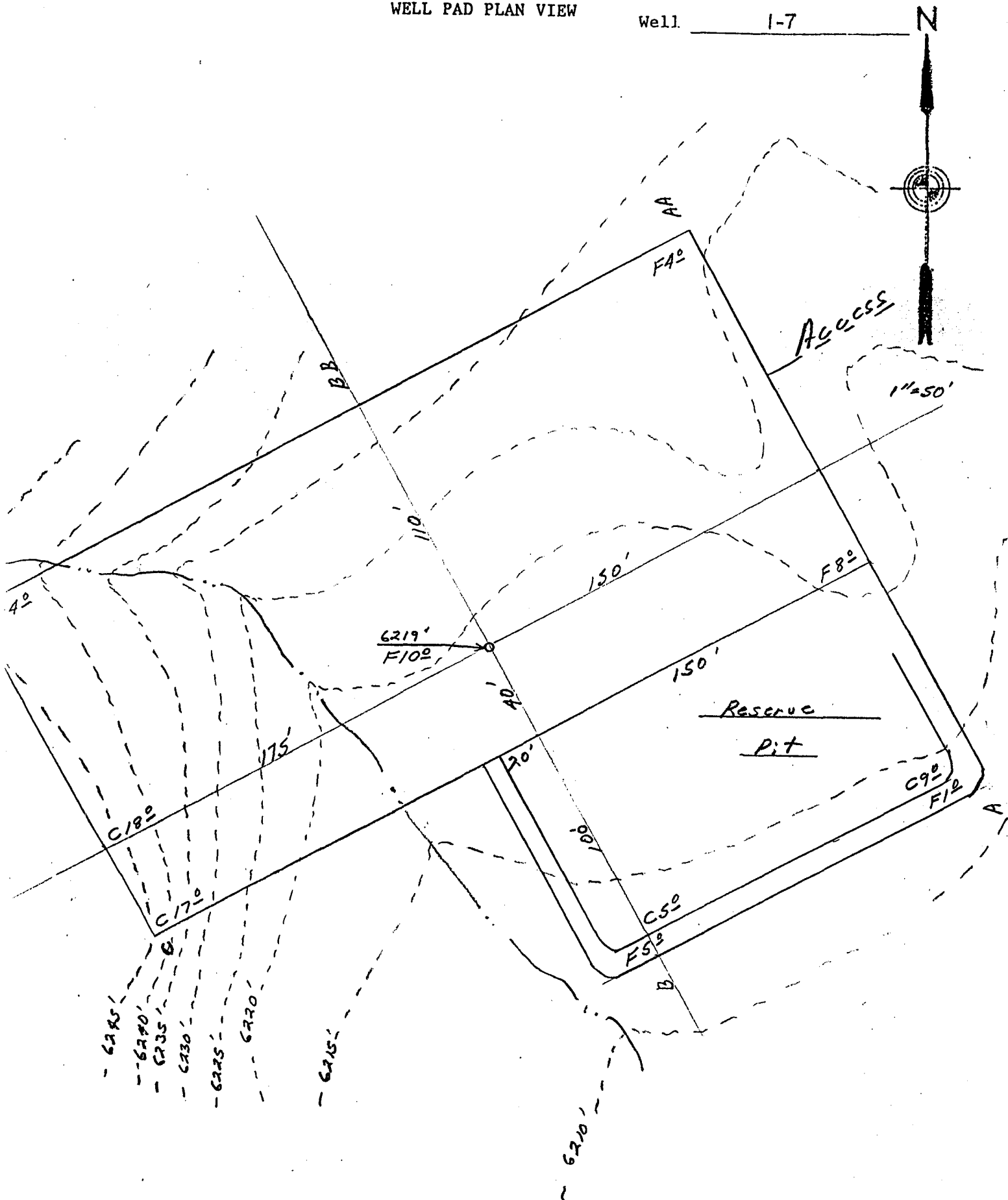
UTAH  
COLORADO

DO  
MON



WELL PAD PLAN VIEW

Well 1-7



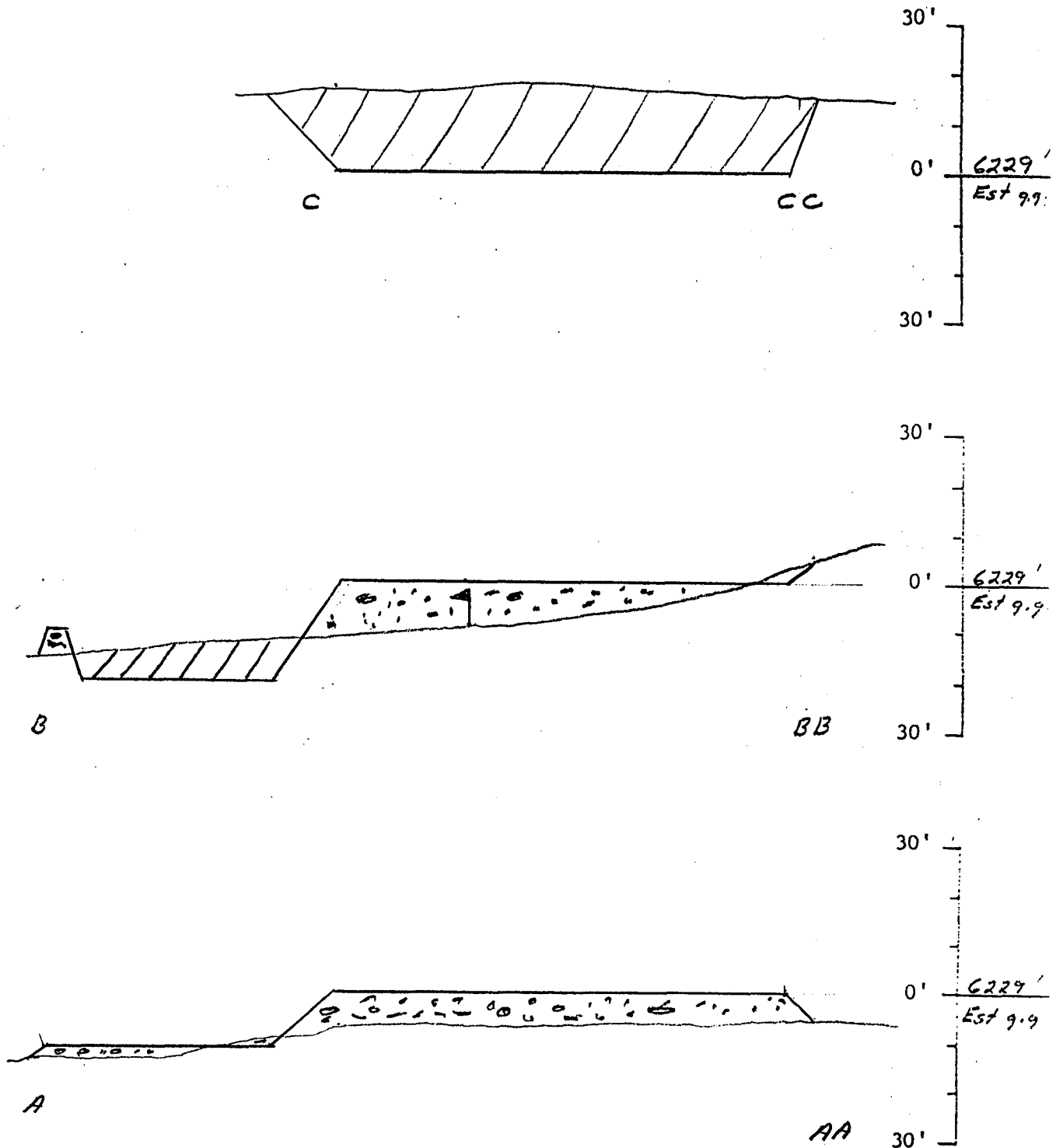
WELL PAD CROSS-SECTION

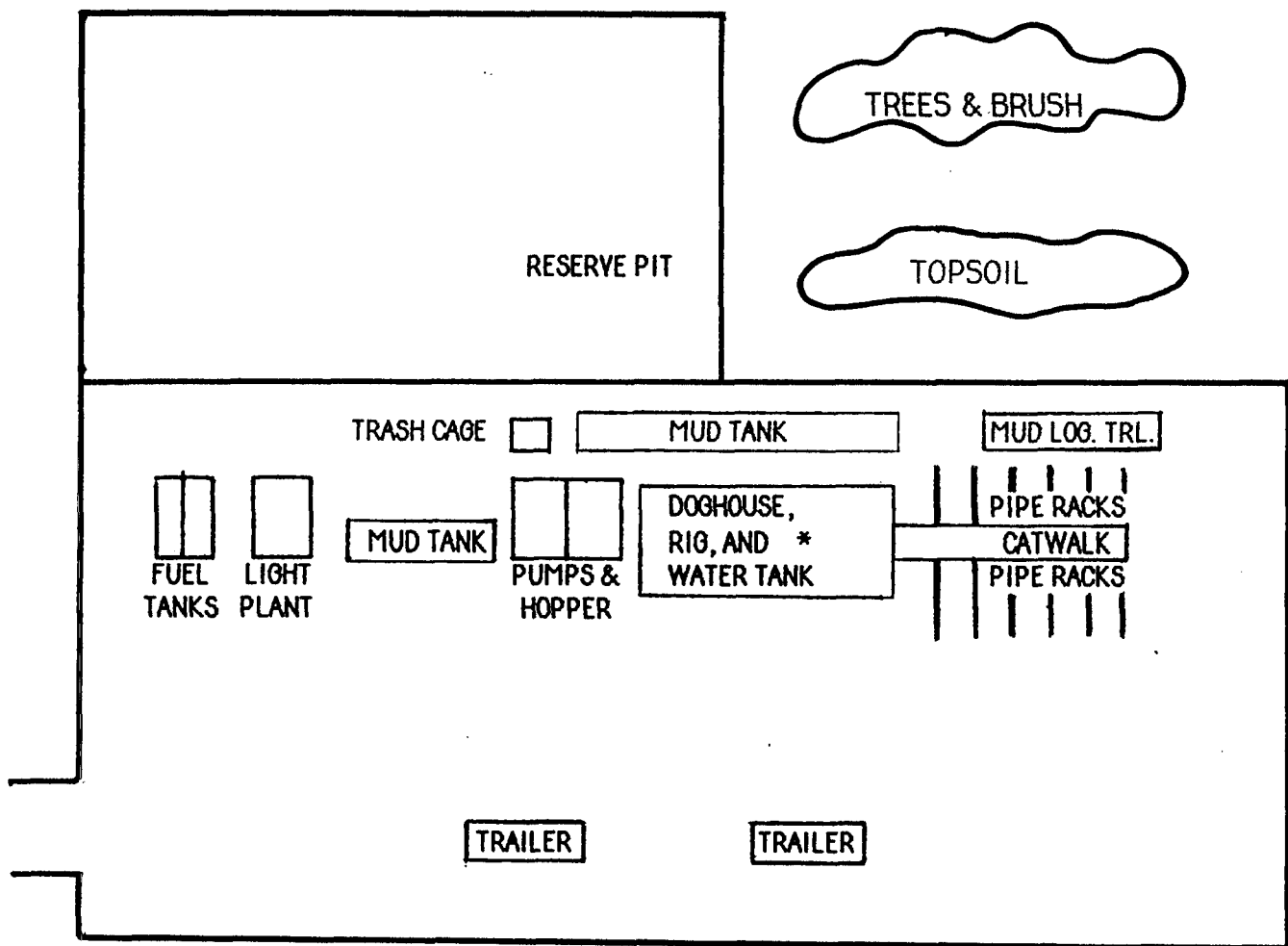
Well 1-7

Cut /////  
Fill ▒ ▒ ▒

Scales: 1"=50' H.  
1"=30' V.

1.7 Vertical Exaggeration





AAPL FORM 760  
**DAMAGE RELEASE**

PAGE 20

KNOW ALL MEN BY THESE PRESENTS THAT:

For and in consideration of the sum of Seven Thousand Five Hundred and  
No/100 Dollars (\$ 7,500.00 ) cash in hand paid, the receipt of which is  
hereby acknowledged, we, the undersigned, each of lawful age, do hereby release, acquit and forever discharge  
MCOR Oil and Gas Corporation of 10880 Wilshire Blvd., Los Angeles, CA 90024,  
hereinafter referred to as "Operator", its employees, agents and contractors, from any and all losses, liabilities, claims, damages,  
demands and causes of action for any and all injuries and damage to the surface of the tract of land hereinbelow described and to  
the appurtenances and improvements thereon as well as for any and all injuries and damages to, including the death of, the live-  
stock and/or wildlife thereon and for any and all damages to and/or loss of the trees, crops and vegetation owned and/or being  
cultivated on said tract of land by the undersigned, their respective employees and/or tenants, arising directly or indirectly in  
connection with the operations of Operator, its employees, agents and contractors in getting to the location of and in pre-  
paring the drillsite for and in drilling the BUG POINT #1-7 FEDERAL  
well, said tract of land being more particularly described as follows, to-wit:

Township 37 South, Range 26 East, S.L.M.

Section 7: SW $\frac{1}{4}$ NE $\frac{1}{4}$  (2450 Feet from the North Line by 1680 Feet  
from the East Line of said Section 7)

County of San Juan , State of Utah .

For the consideration hereinabove paid, we, the undersigned\* do hereby agree to protect, indemnify and save Op-  
erator, its employees, agents and contractors free and harmless from any and all of the above-mentioned losses, claims, damages,  
demands and causes of action arising directly or indirectly in connection with the above-mentioned operations and to relieve  
Operator, its employees, agents and contractors from any and all liability incurred directly or indirectly as a result of such  
operations. \*Subject to the terms expressed on the RIDER attached hereto and made a  
part hereof.

We, the undersigned, do hereby further agree that the payment and acceptance of the consideration set forth above  
is in full and complete payment, settlement, compromise and satisfaction of any and all of the above-mentioned losses, liabilities,  
claims, damages, demands and causes of action accrued or accruing to the undersigned, their respective employees and/or tenants  
arising directly or indirectly in connection with the above-mentioned operations by Operator, its employees, agents and con-  
tractors and that such payment is in no way an admission of liability by Operator, its employees, agents and contractors.

EXECUTED this 11<sup>th</sup> day of June , 19 85 .

WITNESSES:

M.C. Coker  
Fay Louise Taylor

Mary E. Mellott  
Mary E. Mellott  
S.S. # 525269563

RIDER

(Attached to and made a part of that Damage Release by and between Mary E. Mellott, surface owner and MCOR Oil and Gas Corporation, operator covering damages associated with the drilling and completion of the Bug Point #1-7 Well located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 7: T37S, R26E.)

1. During the period necessary to drill and complete the Bug Point #1-7 well, access is granted only along the north and east side of the Mellott wheat field south on the existing farm road and through the gate at the south edge of the field. This road may be improved but no gravel or permanent surface may be installed without prior written consent of the surface owner.
2. If the Bug Point #1-7 well is completed as a dry hole the access road as above described shall be ripped and returned (as nearly as possible) to its original unimproved state. Such rehabilitation shall be accomplished no later than October 31, 1985.
3. If commercial production is established upon completion of the Bug Point #1-7 well, MCOR Oil and Gas Corporation shall and does hereby agree to discuss and subsequently establish a mutually acceptable permanent road and right-of-way to allow continuing access to the location for maintenance and additional operations as deemed necessary by the operator. As soon as the permanent access road is completed the original access road as described in #1 above, shall be ripped and returned (as nearly as possible) to its original unimproved state.

Signed for Identification:

Mary E. Mellott  
Mary E. Mellott



## EXHIBIT "J"

(04-02-76)  
WY060-3109-3

## REHABILITATION PLAN

PAGE 22

Lease No.: U-23752 ; Well Name and No.: Bug Point #1-7 Federal ;  
Location: SW $\frac{1}{4}$ NE $\frac{1}{4}$  (2450' FNL x 1680' FEL) , Sec. 7 . T. 37S ., R. 26E .

MCOR Oil and Gas Corporation intends to drill a well on surface owned by Mary E. Mellott . The lessee/operator agrees to complete the following rehabilitation work if the well is a producer:

- ☒ Yes ☐ No Maintain access road and provide adequate drainage to road.  
☒ Yes ☐ No Reshape and reseed any area not needed for maintenance of the pump and support facilities.

Other requirements: \_\_\_\_\_

The following work will be completed when the well is abandoned:

- ☒ Yes ☐ No Pit will be fenced until dry, then filled to conform to surrounding topography.  
☐ Yes ☒ No Water bars will be constructed as deemed necessary.  
☒ Yes ☐ No Site will require reshaping to conform to surrounding topography.  
☒ Yes ☐ No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used:  
Standard Crested Wheat Field Mix.  
☒ Yes ☐ No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.  
☒ Yes ☐ No Access road will remain for surface owner's use.  
☒ Yes ☐ No Water bars will be constructed on the access road as deemed necessary.

Other requirements: \_\_\_\_\_

## Surface Owner:

(Surface Owner)	(Surface Contact)
Name: Mary E. Mellott	George F. Mellott
Address: Box 2	Box 462
City: Dove Creek	Dove Creek
State: Colorado 81324	Colorado 81324
Telephone: (303) 677-2576	(303) 677-2563
Date: June 11 , 1985	

## Operator/Lessee

Name: MCOR Oil and Gas Corporation
Address: 10880 Wilshire Boulevard
City: Los Angeles
State: California 90024
Telephone: (213) 474-6264
Date: June 11 , 1985

I CERTIFY rehabilitation has been discussed with me, the surface owner:

Mary E. Mellott  
Mary E. Mellott

This plan covers rehabilitation requirements only and does not affect any other agreements between the lessee/operator and surface owner.

**TEMPORARY**APPLICATION TO APPROPRIATE WATER  
STATE OF UTAHApplication No. T 6090509-1423

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

MAY 21 1985

1. Irrigation ☐ Domestic ☐ Stockwatering ☐ Municipal ☐ Power ☐ Mining ☐ Other Uses ☐
2. The name of the applicant is MCOR OIL & GAS CORP. c/o PERMITS WEST, INC.
3. The Post Office address of the applicant is P.O. BOX 1105, MONTICELLO, UTAH 84535
4. The quantity of water to be appropriated N/A second-feet and/or 4 acre-feet
5. The water is to be used for DRILLING MUD from May 21, 1985 to Dec. 31, 1985  
(Major Purpose) (Month) (Day) (Month) (Day)  
other use period DUST CONTROL from May 21, 1985 to Dec. 31, 1985  
(Minor Purpose) (Month) (Day) (Month) (Day)  
and stored each year (if stored) from N/A to N/A  
(Month) (Day) (Month) (Day)
6. The drainage area to which the direct source of supply belongs is \_\_\_\_\_  
(Leave Blank)
7. The direct source of supply is\* LAKE CANYON CREEK  
(Name of stream or other source)

which is tributary to MONUMENT CANYON, tributary to \_\_\_\_\_

\*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in SAN JUAN County, situated at a point\*  
A STOCK POND AT 0050' FSL AND 0500' FEL OF SEC. 16, T. 36 S., R. 26 E., SLBM.  
N. 50 ft. & W. 500 ft. from SE Cor. Sec. 16, T36S, R26E, SLB&M.  
(12 miles SE of Eastland) Eastland Quad

\*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of WATER WILL BE CARRIED BY TANK TRUCK. THERE WILL BE NO OTHER DIVERSION OR CARRYING WORKS.
10. If water is to be stored, give capacity of reservoir in acre-feet \_\_\_\_\_ height of dam \_\_\_\_\_  
area inundated in acres \_\_\_\_\_ legal subdivision of area inundated \_\_\_\_\_  
NO STORAGE PLANNED
11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:  
N/A
12. Is the land owned by the applicant? Yes \_\_\_\_\_ No XXX If "No," explain on page 2.
13. Is this water to be used supplementally with other water rights? Yes XXX No \_\_\_\_\_  
If "yes," identify other water rights on page 2.
14. If application is for power purposes, describe type of plant, size and rated capacity. N/A
15. If application is for mining, the water will be used in N/A Mining District at the \_\_\_\_\_ mine, where the following ores are mined \_\_\_\_\_
16. If application is for stockwatering purposes, number and kind of stock watered N/A
17. If application is for domestic purposes, number of persons N/A, or families \_\_\_\_\_
18. If application is for municipal purposes, name of municipality N/A
19. If application is for other uses, include general description of proposed uses \_\_\_\_\_  
WATER WILL BE USED FOR OIL & GAS DRILLING, DUST CONTROL, ETC.
20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. AT THE BUG POINT 1-7 FEDERAL WELL IN SWNE SEC. 7, T. 37 S., R. 26 E., SLBM.
21. The use of water as set forth in this application will consume 4 second-feet and/or acre-feet of water and 0 second-feet and/or acre feet will be returned to the natural stream or source at a point described as follows: \_\_\_\_\_

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

- 12. Land is owned by Clyde Sanchez (303-677-2820). Mr. Sanchez has given MCOR permission to use water.
- 13. Will supplement Sanchez's livestock watering rights.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*Brian Wood* *Permits West, Inc.*  
Signature of Applicant

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, }  
County of..... } ss

On the ..... day of ....., 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

TEMPORARY (SEAL)

Notary Public

# FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 15.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0 .....	150.00	foot per second.

## Storage — acre-feet

0 to 20 .....	22.50	
over 20 to 500 .....	45.00	
over 500 to 7500 .....	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500 .....	150.00	500 acre feet.

(This section is not to be filled in by applicant)

## STATE ENGINEER'S ENDORSEMENTS

1. May 24, 1985 Application received by mail over counter in State Engineer's office by AP
2. .... Priority of Application brought down to, on account of .....
3. 5-28-85 Application fee, \$15.00, received by J. J. Rec. No. 18163
4. .... Application microfilmed by ..... Roll No. ....
5. 5/28/85 Indexed by Sen ..... Platted by .....
6. 5-22-85 Application examined by AP .....
7. .... Application returned, ..... or corrected by office .....
8. .... Corrected Application resubmitted by mail over counter to State Engineer's office.
9. .... Application approved for advertisement by .....
10. .... Notice to water users prepared by .....
11. .... Publication began; was completed .....  
Notice published in .....
12. .... Proof slips checked by .....
13. .... Application protested by .....
14. .... Publisher paid by M.E.V. No. ....
15. .... Hearing held by .....
16. .... Field examination by .....
17. 5-22-85 Application designated for approval rejection AP S.G.
18. 6/14/85 Application copied or photostated by slm ..... proofread by .....
19. 6/14/85 Application approved rejected xx rejected
20. Conditions:  
This Application is approved, subject to prior rights, as follows:  
a. Actual construction work shall be diligently prosecuted to completion.  
b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR  
c. TEMPORARY APPROVAL -- EXPIRES December 31, 1985.
21. .... Time for making Proof of Appropriation extended to .....  
Robert L. Morgan, P.E., Robert L. Morgan State Engineer
22. .... Proof of Appropriation submitted.
23. .... Certificate of Appropriation, No. ...., issued

**TEMPORARY**

Application No. T 60905

09-1423

WATER RIGHTS DATA BASE  
ENTERED - DATE 5/22/85 BY MLK  
VERIFIED - DATE 5/22/85 BY MLK

OPERATOR MCOR Oil & Gas Corp DATE 6-18-85  
WELL NAME Bug Point Unit 1-7 Federal  
SEC SW NE 7 T 37S R 26E COUNTY San Juan

43-037-31140  
API NUMBER

Oil  
TYPE OF LEASE

CHECK OFF:

☒ PLAT

☒ BOND

☒ NEAREST WELL

☒ LEASE

☒ FIELD

☒ POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

Unit well - & on POD

Water &

APPROVAL LETTER:

SPACING:



A-3

Bug Point  
UNIT



C-3-a

CAUSE NO. & DATE



C-3-b



C-3-c

STIPULATIONS:



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 18, 1985

MCOR Oil and Gas Corporation  
10880 Wilshire Blvd.  
Los Angeles, California 90024

Gentlemen:

Re: Well No. Bug Point Unit 1-7 Federal - SW NE Sec. 7, T. 37S, R. 26E  
2450' FNL, 1680' FEL - San Juan County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

In addition, the following actions are necessary to fully comply with this approval:

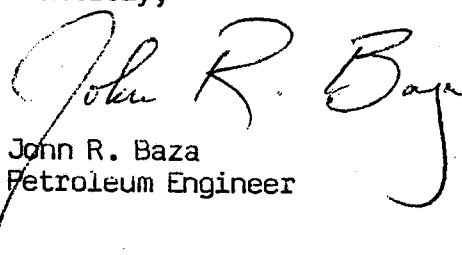
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2  
MCOR Oil and Gas Corporation  
Well No. Bug Point Unit 1-7 Federal  
June 18, 1985

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31160.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza". The signature is written in dark ink and is positioned above the printed name and title.

John R. Baza  
Petroleum Engineer

as  
Enclosures  
cc: Branch of Fluid Minerals

## DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-037-31160

NAME OF COMPANY: MCOR OIL & GAS COPORATIONWELL NAME: BUG POINT UNIT FEDERAL 1-7SECTION SW NE 7 TOWNSHIP 37S RANGE 26E COUNTY San JUANDRILLING CONTRACTOR ColemanRIG # 4SPUDDED: DATE 6-25-85TIME Late PMHow Rotary

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY Mr. Hickman

TELEPHONE # \_\_\_\_\_

DATE 6-25-85 SIGNED RJB



**MCOR OIL & GAS**  
**BUG POINT #1-7 FEDERAL**  
**SEC. 7, T37S, R26E**  
**SAN JUAN COUNTY, UTAH**

**CONTENTS**

	<b>PAGE</b>
1. Summary of Daily Activity	1
2. Bit Record Sheet	2
3. Deviation Record Sheet	3

(1) COPY, FINAL MUD LOG (5"=100')

**DRILLING CONTRACTOR:** COLEMAN DRILLING #4

**DRILLING FOREMAN:** MR. M.N. HICKMAN

**GEO-TECHNOLOGISTS:** MR. CHARLES KRAMER  
MR. CARL CHESLEY  
SMITH MUD LOGGING  
DELTA, COLORADO

**DRILLING FLUID:** MR. WADE McELHANON  
GEO DRILLING FLUIDS  
CORTEZ, CO

**CORES:** MR. MARK PARTRIDGE  
NORTON CHRISTENSEN  
FARMINGTON N.M.

**WIRE LINE LOGS:** MR. RONNEL C. BALLIET  
SCHLUMBERGER  
GRAND JUNCTION, CO.

**GEOLOGIST:** MR. CONNIE KRIVANEK  
CONSULTATNT  
FARMINGTON, NEW MEXICO

MS. TRACY WARDEN  
MCOR  
HOUSTON, TX.

## SUMMARY OF DAILY ACTIVITY

DATE	ACTIVITY	MIDNITE DEPTH	24 HOUR FOOTAGE
6-27-85	UNIT #1644 RIGGED-UP TO LOG	0	0
6-28-85	DRILLING	2238	12
6-29-85	DRILLING	2250	1107
6-30-85	DRILLING	3162	933
7-1-85	DRILLING	4090	626
7-2-85	DRILLING, NB#3	4740	677
7-3-85	DRILLING	5478	372
7-4-85	DRILLING	5888	169
7-5-85	CORING	6107	28
7-6-85	CORING	6153	46
7-7-85	TD, SCHLUMBERGER, RELEASED&RIGGED DOWN	6204	14

## BIT RECORD

BIT#	MAKE	SIZE	TYPE	DEPTH OUT	FOOTAGE USED	HOURS
1	VAREL	12 1/4	V-537	2234	2174	48 1/4
2	STC	7 7/8	F-27	4352	2114	48 1/4
3	STC	7 7/8	F-27	6165	1813	84
4	CHRST	7 7/8	MC323	6193	60	25 1/2
5	STC	7 7/8	F-27	6218	24	5 1/2

DEVIATION RECORD SHEET

<u>DEPTH</u>	<u>DEVIATION(Deg)</u>
140	1/4
648	3/4
1130	3/4
1649	3/4
2204	1
2700	3/4
3214	1/2
3711	1
4230	1
4729	3/4
5260	3/4
5774	1/4
6218	1

**CORE LABORATORIES, INC.***Petroleum Reservoir Engineering*COMPANY MCOR OIL & GAS CORP.FILE NO. 38030-3390WELL BUG PT. # 1-7 FED.DATE 8-JULY-1985FIELD WILDCATFORMATION PARADOXELEV. 6232 KBCOUNTY SAN JUAN STATE UTAHDRLG. FLD. WBM

CORES \_\_\_\_\_

LOCATION SW, NE SEC. 7-T37S-R26E

## CORRELATION COREGRAPH

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc., (all errors or omissions excepted); but Core Laboratories, Inc., and its officers and employees, assume no responsibility and make no warranty or representations as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

VERTICAL SCALE: 5" = 100'

RECEIVED

JUL 22 1985

Gamma Ray

RADIATION INCREASE →

Permeability

MILLIDARCIES

DIVISION OF OIL  
GAS & MINING

Porosity

PERCENT

Total Water

PERCENT PORE SPACE

100 80 60 40 20 0

Oil Saturation

PERCENT PORE SPACE

0 0 20 40 60 80 100

PARADOX FORMATION

100

10

1.0

.1

Feet

30

20

10

0

0

20

40

60

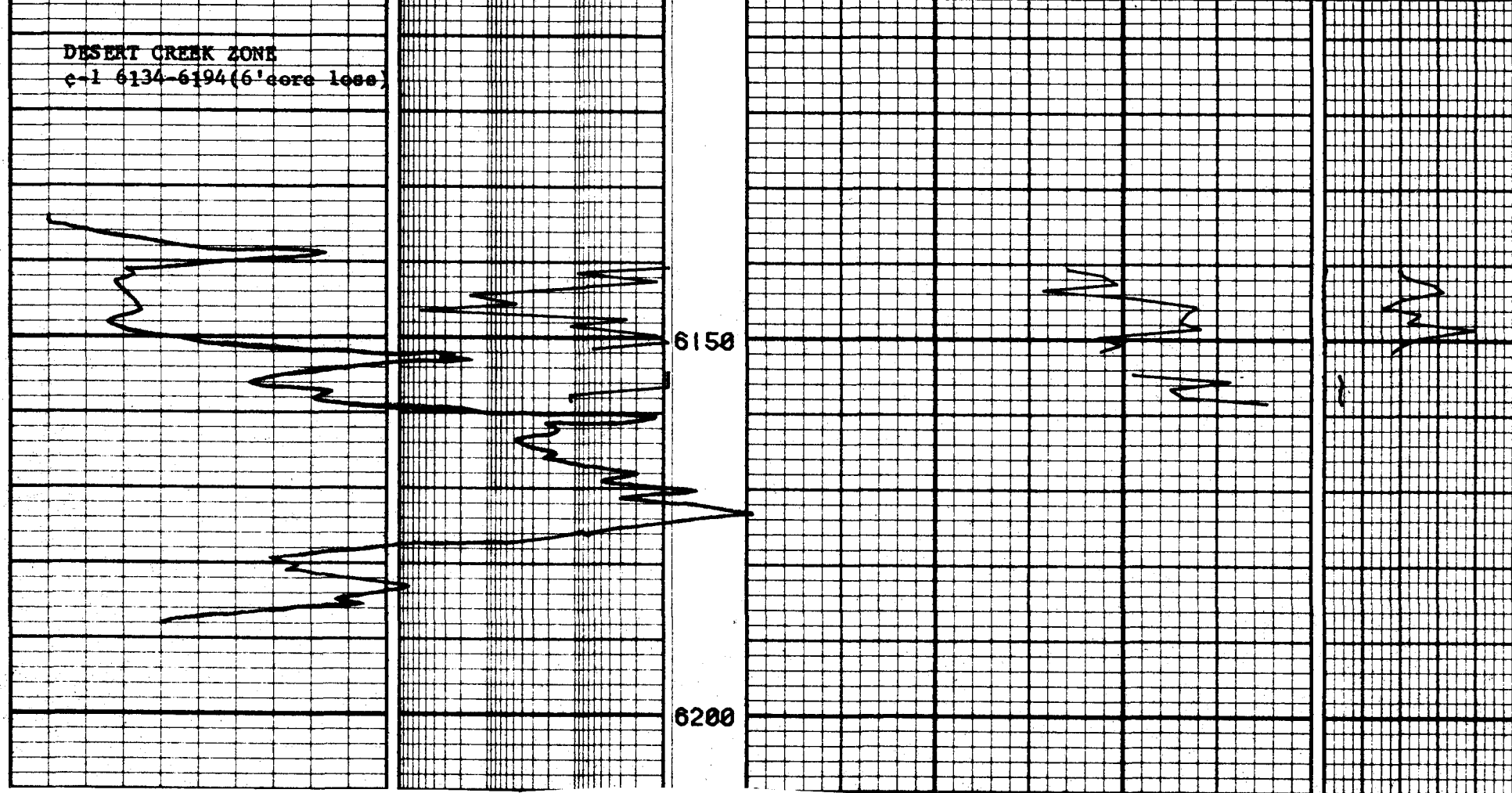
80

100

6100

DESERT CREEK ZONE

c-1 6134-6194 (6' core loss)





MCOR OIL AND GAS CORPORATION  
10880 Wilshire Boulevard  
Los Angeles, CA 90024 • (213) 879-5252

July 7, 1985

RECEIVED

JUL 15 1985

DIVISION OF OIL  
GAS & MINING

Mr. R. J. Firth  
Associate Director, Oil & Gas  
State of Utah Natural Resources  
4241 State Office Building  
Salt Lake City, Utah 84114

Dear Mr. Firth:

Re: Bug Point #1-7 Federal  
Sec. 7, T37S, R26E, SLB&M  
San Juan County, Utah

Enclosed in duplicate is the Spud Notice for the referenced well.

Sincerely,

MCOR OIL AND GAS CORPORATION

J. E. Walton  
Manager - Operations  
Western Region

JEW/ALS/als

Enc.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN \_\_\_\_\_  
(Other instructions on re-verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO. 2

U-23752

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

Bug Point

8. FARM OR LEASE NAME

Bug Point

9. WELL NO.

#1-7 Federal

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 7, T37S, R26E, SLB&M

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐  
2. NAME OF OPERATOR MCOR Oil and Gas Corporation  
3. ADDRESS OF OPERATOR 10880 Wilshire Boulevard, Los Angeles, Ca. 90024  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
2450' FNL & 1680' FEL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6228' Grd

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF


PULL OR ALTER CASING


FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON\*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF


FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

X

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Spudded @ 10:00 P.M., 6/25/85, with rotary tools.

RECEIVED

JUL 15 1985

DIVISION OF OIL  
GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

*J. E. Walton*  
J. E. Walton

TITLE

Manager - Operations

DATE

6/26/85

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side



CORE LABORATORIES, INC.  
*Petroleum Reservoir Engineering*  
DALLAS, TEXAS

RECEIVED

JUL 22 1985

DIVISION OF OIL  
GAS & MINING

CORE ANALYSIS REPORT

FOR

MCOR OIL & GAS CORP.

BUG PT. # 1-7 FED.  
WILDCAT  
SAN JUAN, UTAH

**CORE LABORATORIES, INC.**  
*Petroleum Reservoir Engineering*

MCOR OIL & GAS CORP.  
 BUG FT. # 1-7 FED.  
 WILDCAT  
 SAN JUAN, UTAH

DALLAS, TEXAS  
 DATE : 8-JULY-1985  
 FORMATION : PARADOX  
 DRLG. FLUID: WBM  
 LOCATION : SW, NE SEC. 7-T37S-R26E

FILE NO : 38030-3390  
 ANALYSTS : DS;EV  
 ELEVATION: 6232 KB

FULL DIAMETER ANALYSIS-BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	AIR (MD) 90 DEG	POR. He	FLUID SATS. OIL	WTR	GRAIN DEN	DESCRIPTION
DESERT CREEK ZONE CORE # 1-6134-6194								
	6134.0-39.0							ANHYDRITE -- NO ANALYSIS
	6139.0-40.0							LM-SHALE -- NO ANALYSIS
1	6140.0-41.0	0.02	0.01	13.0	1.4	59.9	2.79	DOL DKBRN VFXLN SL/CALC
2	6141.0-42.0	0.98	0.06	11.1	0.0	56.9	2.78	DOL DKBRN VFXLN SL/CALC **
3	6142.0-43.0	0.12	0.07	10.3	0.0	40.7	2.85	DOL DKBRN VFXLN SL/CALC
4	6143.0-44.0	1.15	0.84	14.3	0.0	36.7	2.82	DOL DKBRN VFXLN SL/CALC
5	6144.0-45.0	16.	16.	9.5	0.0	56.9	2.80	DOL LTBRN VFXLN SL/CALC ANHY FRAC
6	6145.0-46.0	4.94	*	6.1	0.0	67.9	2.85	DOL LTBRN VFXLN SL/CALC ANHY FRAC
7	6146.0-47.0	60.	45.	6.6	0.0	48.6	2.86	DOL LTBRN VFXLN SL/CALC ANHY FRAC
8	6147.0-48.0	0.27	0.25	7.0	0.0	55.2	2.86	DOL BRN VFXLN
9	6148.0-49.0	1.17	*	5.8	0.0	19.0	2.83	DOL BRN VFXLN
10	6149.0-50.0	0.12	<0.01	11.3	1.0	49.3	2.83	DOL BRN VFXLN SL/CALC
11	6150.0-51.0	<0.01	<0.01	10.1	0.0	58.9	2.81	DOL BRN VFXLN SL/CALC
12	6151.0-52.0	0.64	*	11.2	0.0	63.2	2.75	DOL BRN VFXLN SL/CALC SL/SLT
	6152.0-54.0							SHALE SL/CALC -- NO ANALYSIS
13	6154.0-55.0	0.01	<0.01	9.4	0.0	91.2	2.78	DOL BRN VFXLN SL/CALC SL/SLT
14	6155.0-56.0	<0.01	*	4.3	0.0	90.2	2.76	DOL BRN VFXLN SL/CALC SL/SLT
15	6156.0-57.0	0.02	*	7.5	0.0	91.5	2.77	DOL BRN VFXLN SL/CALC SL/SLT
16	6157.0-58.0	1.23	*	6.7	0.0	91.6	2.78	DOL BRN VFXLN SL/CALC SL/SLT
17	6158.0-59.0	1.17	*	2.3	0.0	90.3	2.64	DOL BRN VFXLN SL/CALC SL/SLT
	6159.0-78.0							SHALE -- NO ANALYSIS
	6178.0-88.0							LM SL/SHY -- NO ANALYSIS
	6188.0-94.0							CORE LOSS

\*\* DENOTES FRACTURE PERMEABILITY

CORE LABORATORIES, INC.  
*Petroleum Reservoir Engineering*MCOR OIL & GAS CORP.  
BUG PT. # 1-7 FED.DALLAS, TEXAS  
DATE : 8-JULY-1985  
FORMATION : PARADOXFILE NO : 38030-3390  
ANALYSTS : DS/EV

## FULL DIAMETER ANALYSIS-BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	90 DEG	POR. He	FLUID SATS. OIL	WTR	GRAIN DEN	DESCRIPTION
------------------	-------	------------------------------	--------	------------	--------------------	-----	--------------	-------------

\* SAMPLE NOT SUITABLE FOR FULL DIAMETER ANALYSIS

# CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.  
BUG PT. # 1-7 FED.

DATE : 8-JULY-1985  
FORMATION : PARADOX

FILE NO. : 38030-3390  
ANALYSTS : DS#EV

## \*\*\* CORE SUMMARY AVERAGES FOR 1 ZONE \*\*\*

DEPTH INTERVAL: 6140.0 TO 6159.0

FEET OF CORE ANALYZED : 17.0 FEET OF CORE INCLUDED IN AVERAGES: 17.0

-- SAMPLES FALLING WITHIN THE FOLLOWING RANGES WERE AVERAGED --

PERMEABILITY MAXIMUM RANGE (MD.)	:	0.00 TO 100.	(UNCORRECTED FOR SLIPPAGE)
HELIUM POROSITY RANGE (%)	:	0.0 TO 100.0	
OIL SATURATION RANGE (%)	:	0.0 TO 100.0	
WATER SATURATION RANGE (%)	:	0.0 TO 100.0	

SHALE SAMPLES EXCLUDED FROM AVERAGES.

AVERAGES FOR DEPTH INTERVAL: 6140.0 TO 6159.0

### AVERAGE PERMEABILITY (MILLIDARCIES)

ARITHMETIC PERMEABILITY	:	5.2
GEOMETRIC PERMEABILITY	:	0.26
HARMONIC PERMEABILITY	:	0.01
GEOMETRIC MAXIMUM & 90 DEG PERM.	:	0.06

### PRODUCTIVE CAPACITY (MILLIDARCY-FEET)

ARITHMETIC CAPACITY	:	88.
GEOMETRIC CAPACITY	:	4.4
HARMONIC CAPACITY	:	0.13
GEOMETRIC MAXIMUM & 90 DEG CAPACITY:	:	0.97

AVERAGE POROSITY (PERCENT) : 8.6

AVERAGE TOTAL WATER SATURATION : 59.7  
(PERCENT OF PORE SPACE)

AVERAGE RESIDUAL OIL SATURATION : 0.2  
(PERCENT OF PORE SPACE)

AVERAGE CONNATE WATER SATURATION \*\* : .59.7  
(PERCENT OF PORE SPACE)

\*\* ESTIMATED FROM TOTAL  
WATER SAUTRATION.

PERMEABILITY VS POROSITY

COMPANY: MCOB OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

AIR PERMEABILITY : MD - HORIZONTAL ( UNCORRECTED FOR SLIPPAGE )  
POROSITY : PERCENT ( HELIUM )

DEPTH INTERVAL	RANGE & SYMBOL	PERMEABILITY MINIMUM MAXIMUM	POROSITY MIN. MAX.	POROSITY AVERAGE	PERMEABILITY AVERAGES ARITHMETIC HARMONIC GEOMETRIC
6140.0 - 6159.0	1 (+)	0.000 100.0	0.0 50.0	8.6	5.2 0.00 0.20

PERMEABILITY:MILLIDARCIES

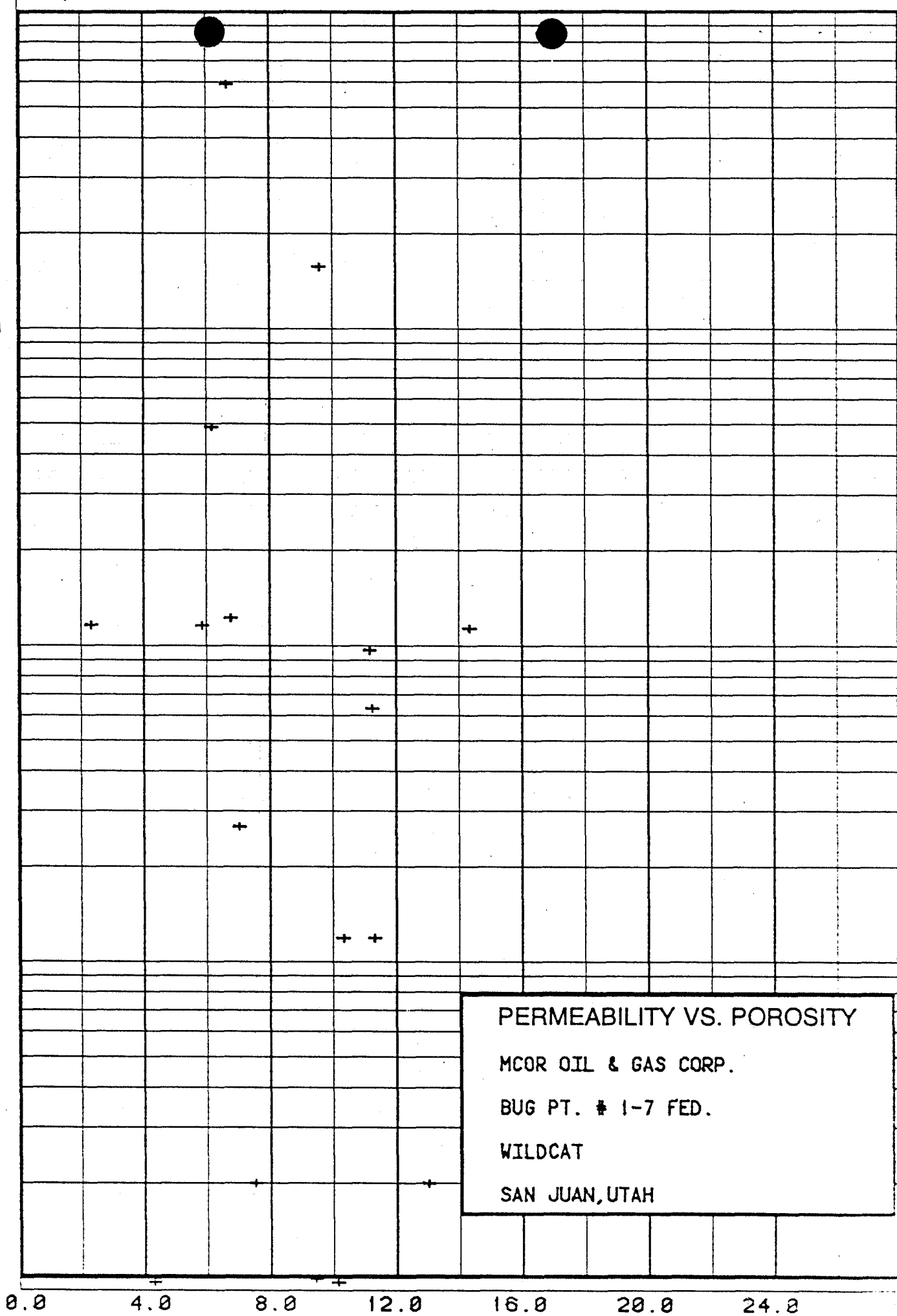
0.01

0.1

1

10

100



STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

AIR PERMEABILITY : MD. ( HORIZONTAL ) RANGE USED 0.000 TO 100.  
POROSITY : PERCENT ( HELIUM ) RANGE USED 0.0 TO 46.0

(PERMEABILITY UNCORRECTED FOR SLIPPAGE)

DEPTH LIMITS : 6140.0 - 6159.0 INTERVAL LENGTH : 19.0  
FEET ANALYZED IN ZONE : 17.0 LITHOLOGY EXCLUDED : NONE

DATA SUMMARY

POROSITY AVERAGE	PERMEABILITY AVERAGES		
	ARITHMETIC	HARMONIC	GEOMETRIC
8.6	5.2	0.00	0.20

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY POROSITY RANGES

POROSITY RANGE	FEET IN RANGE	AVERAGE POROSITY	AVERAGE PERM. (GEOM.)	PERM. (ARITH)	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
2.0 - 4.0	1.0	2.3	1.2	1.2	5.9	5.9
4.0 - 6.0	2.0	5.0	0.076	0.587	11.8	17.6
6.0 - 8.0	5.0	6.8	1.1	13.	29.4	47.1
8.0 - 10.0	2.0	9.4	0.400	8.0	11.8	58.8
10.0 - 12.0	5.0	10.8	0.135	0.373	29.4	88.2
12.0 - 14.0	1.0	13.0	0.020	0.020	5.9	94.1
14.0 - 16.0	1.0	14.3	1.1	1.1	5.9	100.0

TOTAL NUMBER OF FEET = 17.0



STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY PERMEABILITY RANGES

PERMEABILITY RANGE	FEET IN RANGE	AVERAGE PERM. (GEOM.)	AVERAGE PERM. (ARITH)	AVERAGE POROSITY	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
0.005 - 0.010	2.0	0.005	0.005	7.2	11.8	11.8
0.010 - 0.020	1.0	0.010	0.010	9.4	5.9	17.6
0.020 - 0.039	2.0	0.020	0.020	10.3	11.8	29.4
0.078 - 0.156	2.0	0.120	0.120	10.8	11.8	41.2
0.156 - 0.312	1.0	0.270	0.270	7.0	5.9	47.1
0.625 - 1.250	6.0	1.0	1.1	8.6	35.3	82.4
2.500 - 5.000	1.0	4.9	4.9	6.1	5.9	88.2
10.- 20.	1.0	16.	16.	9.5	5.9	94.1
40.- 80.	1.0	60.	60.	6.6	5.9	100.0

TOTAL NUMBER OF FEET = 17.0

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

POROSITY-FEET OF STORAGE CAPACITY LOST FOR SELECTED POROSITY CUT OFF

POROSITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	ARITH MEAN	MEDIAN
0.0	0.0	0.0	17.0	100.0	8.6	8.5
2.0	0.0	0.0	17.0	100.0	8.6	8.5
4.0	1.0	1.6	16.0	98.4	9.0	9.0
6.0	3.0	8.5	14.0	91.5	9.6	10.0
8.0	8.0	31.6	9.0	68.4	11.1	11.0
10.0	10.0	44.5	7.0	55.5	11.6	
12.0	15.0	81.4	2.0	18.6	13.6	14.0
14.0	16.0	90.2	1.0	9.8	14.3	
16.0	17.0	100.0	0.0	0.0		

TOTAL STORAGE CAPACITY IN POROSITY-FEET = 146.5

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

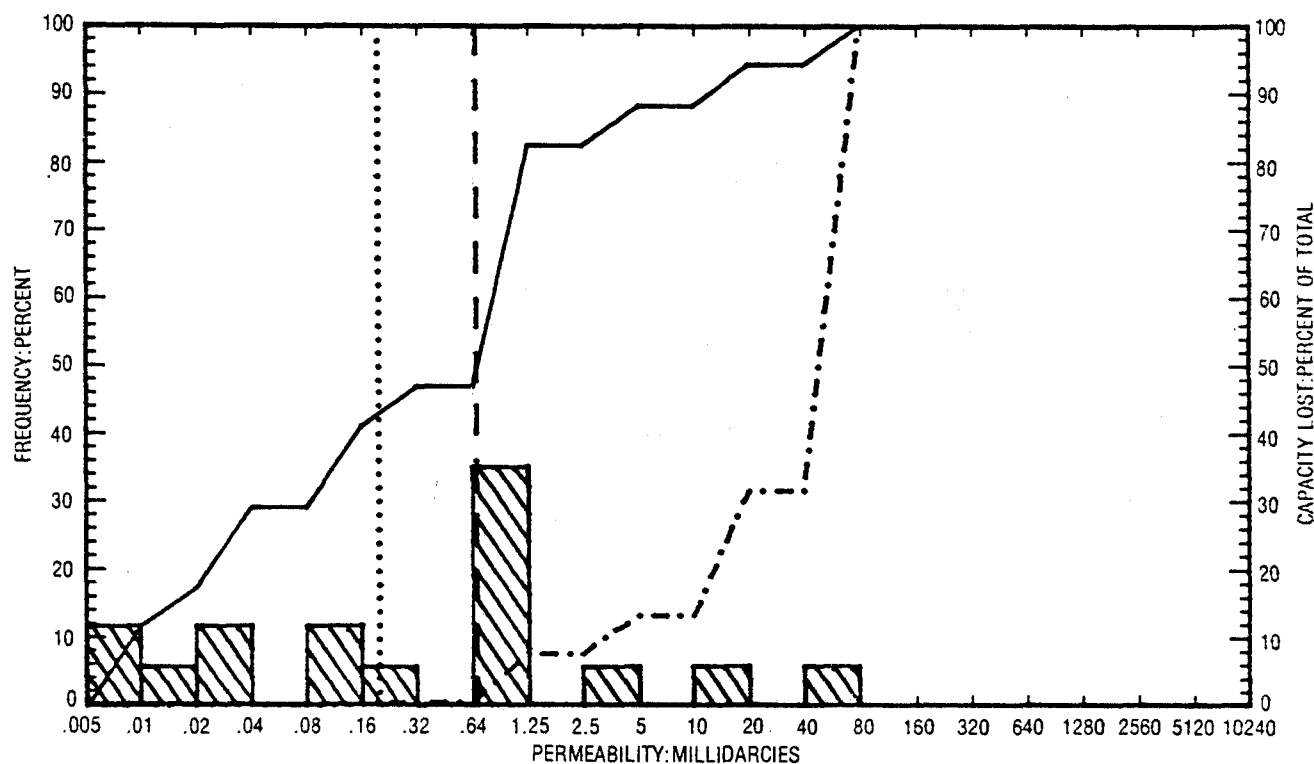
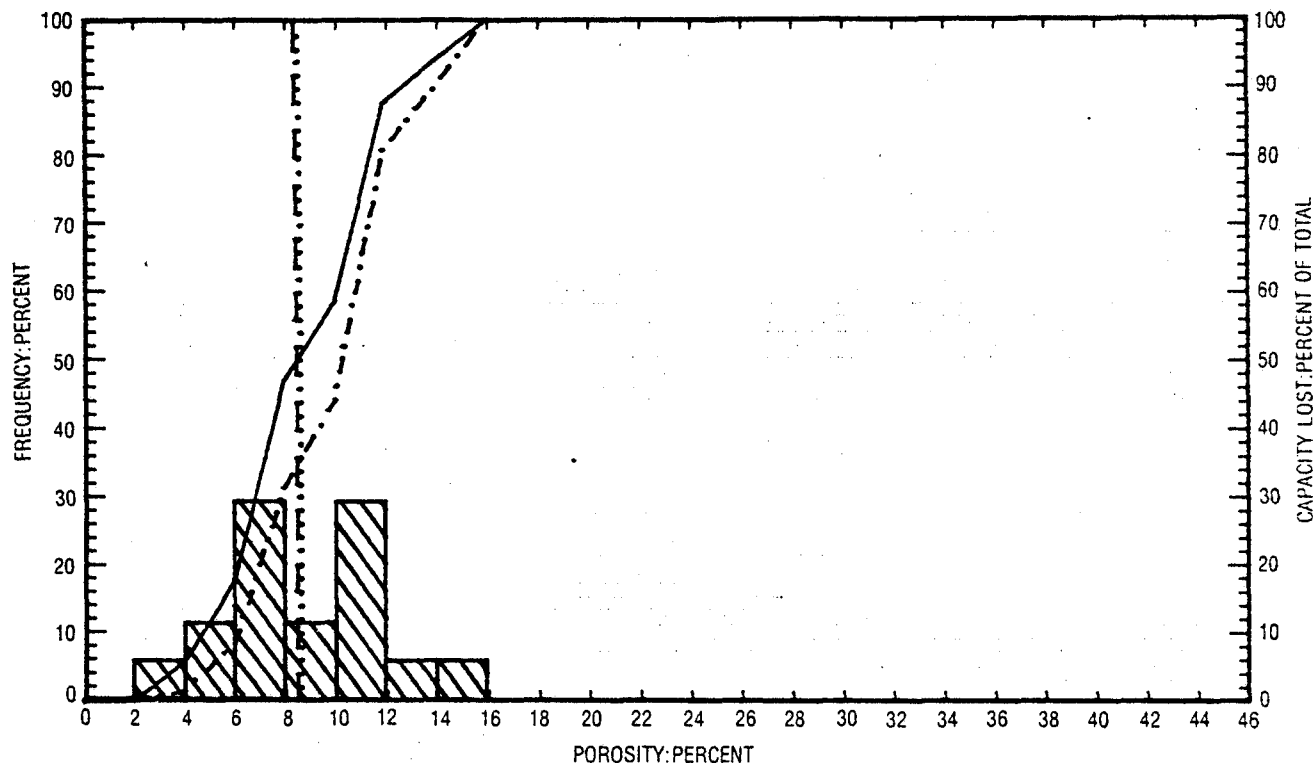
COMPANY: MCDOR OIL & GAS CORP.  
FIELD : WILDCAT

WELL : BUG PT. # 1-7 FED.  
COUNTY, STATE: SAN JUAN, UTAH

MILLIDARCY-FEET OF FLOW CAPACITY LOST FOR SELECTED PERMEABILITY CUT OFF

PERMEABILITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	GEOM MEAN	MEDIAN
0.005	0.0	0.0	17.0	100.0	0.20	0.66
0.010	2.0	0.0	15.0	100.0	0.55	0.74
0.020	3.0	0.0	14.0	100.0	0.71	0.79
0.039	5.0	0.1	12.0	99.9	1.30	0.88
0.078	5.0	0.1	12.0	99.9	1.30	0.88
0.156	7.0	0.3	10.0	99.7	2.09	0.99
0.312	8.0	0.6	9.0	99.4	2.62	
0.625	8.0	0.6	9.0	99.4	2.62	
1.250	14.0	7.9	3.0	92.1	16.80	14.14
2.500	14.0	7.9	3.0	92.1	16.80	14.14
5.	15.0	13.5	2.0	86.5	30.98	20.00
10.	15.0	13.5	2.0	86.5	30.98	20.00
20.	16.0	31.7	1.0	68.3	60.00	
40.	16.0	31.7	1.0	68.3	60.00	
80.	17.0	100.0	0.0	0.0		

TOTAL FLOW CAPACITY IN MILLIDARCY-FEET (ARITHMETIC) = 87.84



### PERMEABILITY AND POROSITY HISTOGRAMS

MCOR OIL & GAS CORP.  
BUG PT. # 1-7 FED.  
WILDCAT  
SAN JUAN, UTAH

LEGEND  
ARITHMETIC MEAN POROSITY .....  
GEOMETRIC MEAN PERMEABILITY .....  
MEDIAN VALUE .....  
CUMULATIVE FREQUENCY .....  
CUMULATIVE CAPACITY LOST .....



**CORE LABORATORIES, INC.**

*Petroleum Reservoir Engineering*

COMPANY MCOR OIL & GAS CORP. FILE NO. 38030-3390  
 WELL BUG PT. # 1-7 FED. DATE 8-JULY-1985 ENGRS. DS;EV  
 FIELD WILDCAT FORMATION PARADOX ELEV. 6232 KB  
 COUNTY SAN JUAN STATE UTAH DRLG. FLD. WBM CORES

# CoRes Log

## CORE and RESISTIVITY EVALUATION

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted) but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representation as to the productivity, proven operation or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

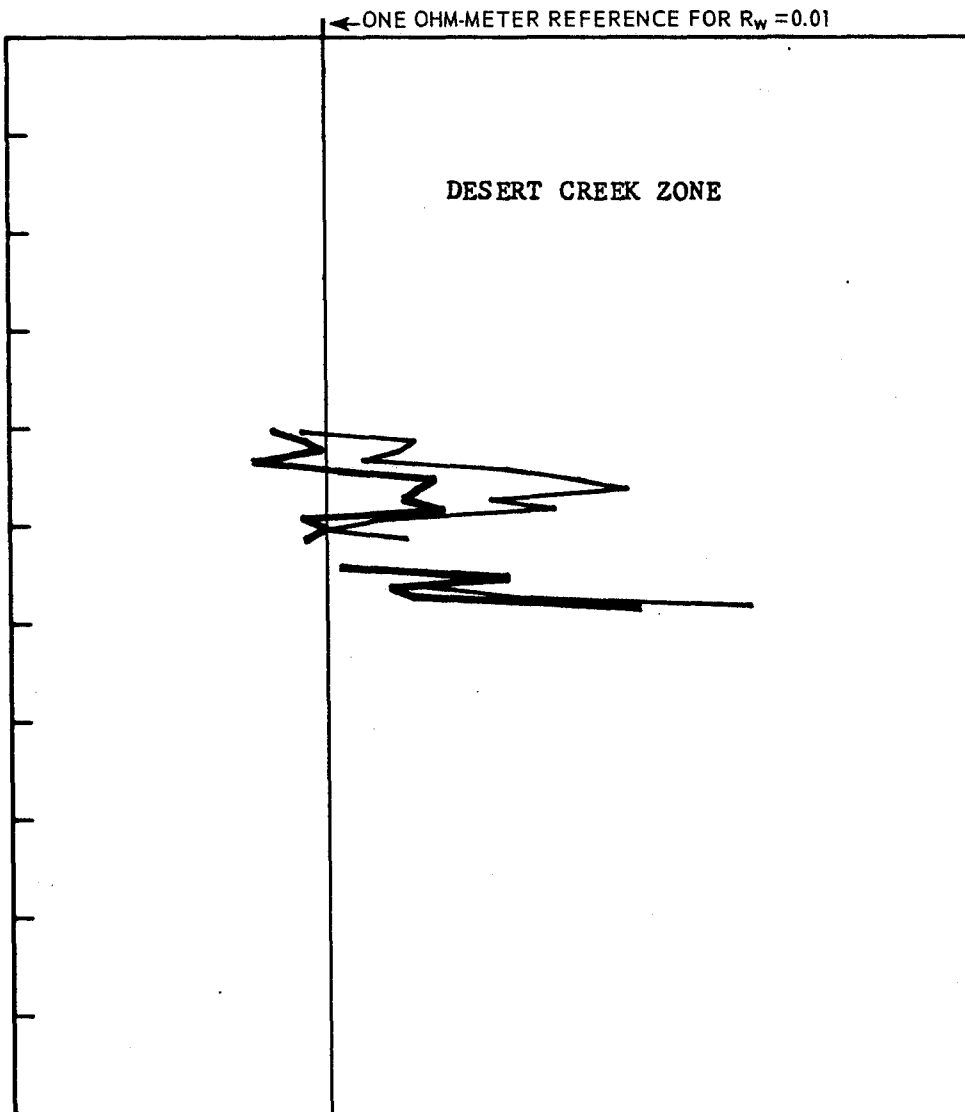
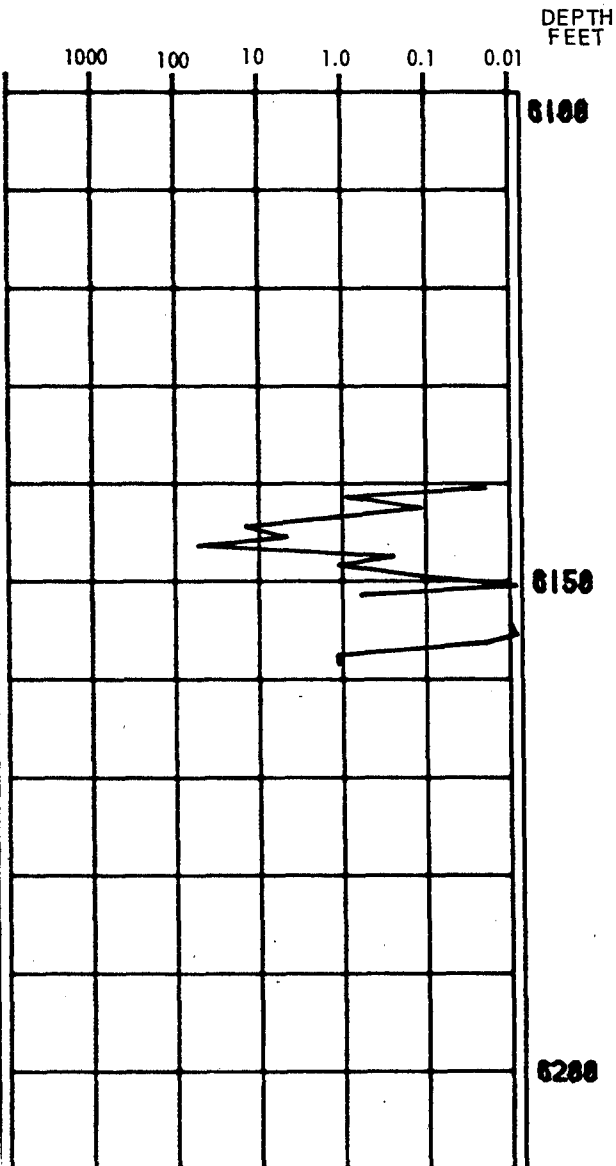
RESISTIVITY PARAMETERS:  $a = 1.0$   $m = 2.0$   $n = 2.0$  . Depths 6140.0 to 6159.0 .  
 $a =$   $m =$   $n =$  . Depths to .

PERMEABILITY  
MILLIDARCIES

**CORE ANALYSIS CALCULATED RESISTIVITY**

$R_0$  = OHM-METERS AT 100%  $S_w$  \_\_\_\_\_

$R_{mp}$  = OHM-METERS AT CRITICAL  $S_w$  \_\_\_\_\_





MCOR OIL AND GAS CORPORATION

10880 Wilshire Boulevard  
Los Angeles, CA 90024 • (213) 879-5252

July 18, 1985

RECEIVED

JUL 25 1985

DIVISION OF OIL  
GAS & MINING

Mr. R. J. Firth  
Associate Director, Oil & Gas  
State of Utah Natural Resources  
4241 State Office Building  
Salt Lake City, Utah 84114

Dear Mr. Firth:

Re: Bug Point #1-7 Federal  
Sec. 7, T37S, R26E, SLB&M  
San Juan County, Utah

Enclosed in duplicate are the Subsequent Report of Abandonment,  
Well Completion Report and Well Log for the referenced well.

Sincerely,

MCOR OIL AND GAS CORPORATION

J. E. Walton  
Manager - Operations  
Western Region

JEW/ALS/als

Enc.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

7

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other \_\_\_\_\_  
b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other \_\_\_\_\_

2. NAME OF OPERATOR  
MCOR OIL AND GAS CORPORATION

3. ADDRESS OF OPERATOR  
10880 Wilshire Blvd., Los Angeles, Ca. 90024

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface 2450' FNL & 1680' FEL  
At top prod. interval reported below Same  
At total depth Same

14. PERMIT NO. 43-037-31160  
DIVISION OF OIL & GAS  
JUL 25 1985

15. DATE SPUDDED 6/25/85 16. DATE T.D. REACHED 7/7/85 17. DATE COMPL. (Ready to prod.) 7/9/85 P&A 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 6228' GR 19. ELEV. CASINGHEAD 6241' -KB

20. TOTAL DEPTH, MD & TVD 6218' 21. PLUG, BACK T.D., MD & TVD --- 22. IF MULTIPLE COMPL., HOW MANY\* --- 23. INTERVALS DRILLED BY --- ROTARY TOOLS 0 - 6218' CABLE TOOLS ---

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* --- 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DI-SFL, BHC Sonic, EDC-Neutron, Cyberlook 27. WAS WELL CORED Yes

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	2224'	12-1/4"	880 sx Lite Cmt w/2% CaCl <sub>2</sub> & 1/4#/sk Flocele followed by 275 sx "B" cmt w/2% CaCl <sub>2</sub>	by

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.\* PRODUCTION

DATE FIRST PRODUCTION \_\_\_\_\_ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) \_\_\_\_\_ WELL STATUS (Producing or shut-in) P & A

DATE OF TEST \_\_\_\_\_ HOURS TESTED \_\_\_\_\_ CHOKE SIZE \_\_\_\_\_ PROD'N. FOR TEST PERIOD \_\_\_\_\_ OIL—BBL. \_\_\_\_\_ GAS—MCF. \_\_\_\_\_ WATER—BBL. \_\_\_\_\_ GAS-OIL RATIO \_\_\_\_\_

FLOW. TUBING PRESS. \_\_\_\_\_ CASING PRESSURE \_\_\_\_\_ CALCULATED 24-HOUR RATE \_\_\_\_\_ OIL—BBL. \_\_\_\_\_ GAS—MCF. \_\_\_\_\_ WATER—BBL. \_\_\_\_\_ OIL GRAVITY-API (CORR.) \_\_\_\_\_

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) \_\_\_\_\_ TEST WITNESSED BY \_\_\_\_\_

35. LIST OF ATTACHMENTS

Well History

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

J. H. Walton

TITLE

Manager - Operations  
Western Region

DATE

7/10/85

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Desert Creek	6134'	6194'	Core #1 6134-6194' Dolostone, Shale, Anhydrite

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Cutler	2800'	
Honaker Trail	4637'	
Ismay	5822'	
Hovenweep	5904'	
Lower Ismay	5976'	
Gothic	6038'	
Lower Desert Creek	6130'	
Chimney Rock	6160'	
Akah	6190'	



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN (Other instructions on reverse side) DATE

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Dry Hole		5. LEASE DESIGNATION AND SERIAL NO. U-23752
2. NAME OF OPERATOR MCOR OIL AND GAS CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR 10880 Wilshire Blvd., Los Angeles, Ca. 90024		7. UNIT AGREEMENT NAME Bug Point
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 2450' FNL & 1680' FEL		8. FARM OR LEASE NAME Bug Point
14. PERMIT NO.		9. WELL NO. #1-7 Federal
15. ELEVATIONS (Show whether DF, RT, or GR) 6228' GR (after location was made)		10. FIELD AND POOL, OR WILDCAT Wildcat
DIVISION OF OIL GAS & MINING		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 7, T37S, R26E, SLB&I
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		<input type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input checked="" type="checkbox"/>
(Other)	<input type="checkbox"/>		<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

1. Displaced hole with 11.1 ppg mud via drill pipe. Through drill pipe, set plugs as follows:
  - a. 6218-6020' 70 sx C1 "G" cmt.
  - b. 5872-5672' 70 sx C1 "G" cmt plus 3% CaCl<sub>2</sub>
  - c. 4687-4587' 35 sx C1 "G" cmt
  - d. 2700-2600' 35 sx C1 "G" cmt
  - e. 2270-2170' 35 sx C1 "G" cmt
  - f. 50-Surface 20 sx C1 "G" cmt
2. Cut off 8-5/8" casing, welded on steel plate and erected dry hole marker.
3. Fenced reserve pit.
4. Location will be restored as outlined in "Multi-Point Surface Use and Operations Plan" and in stipulations attached to approved Application for Permit to Drill.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 7/22/85  
BY: John R. Buse

18. I hereby certify that the foregoing is true and correct

SIGNED J. E. Walton  
(This space for Federal or State office use)

TITLE Manager - Operations DATE 7/10/85  
Western Region

APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions on Reverse Side

\*\*\*\*\*CONTINUED\*\*\*\*\*  
FIELD/PROSP LAKE CANYON PROSP.

WELL NAME BUG POINT #1-7 FED.  
COUNTY NAME SAN JUAN CO., UT.

07-03-85

DRILLED. SURVEYED. DRILLED TO 5593'.  
NOTE: ELEVATION AFTER LOCATION WAS MADE: GL - 6228', K8 - 6241'.  
FM: SH, LM, SD, CHT, PAY.  
DEVIATION: 3/4 DEG @ 5260'.

RECEIVED

07-04-85

5951'. (358'). 9D. MW 10.7. VIS 42. DART.  
DRILLED. SERVICED RIG. DRILLED. SURVEYED. DRILLED.  
FM: SH, SD, LM, ANHYDRITE. TOP OF ISMAY - 5860' - NO SHOW.  
DEVIATION: 1/4 DEG @ 5774'.

JUL 25 1985

DIVISION OF OIL  
GAS & MINING

07-05-85

6165'. (204'). 10D. MW 10.9. VIS 42. TRIPPING FOR CORE  
BARREL ART.  
DRILLED. SERVICED RIG. DRILLED TO 6165'. REACHED CORE  
POINT @ 3:00 A.M., 7/5/85. CIRCULATED FOR SAMPLES. TRIPPED  
FOR CORE BARREL & TALLIED PIPE. WILL MEASURE IN HOLE, WHILE  
RIH W/CORE BARREL.  
FM: SH, LM, DOL, CHT.

07-06-85

6161' CORRECTED DEPTH. (28'). 11D. MW 11.0. VIS 44.  
CORING ART.  
POH FOR CORE. PU CORE BARREL. INSTALLED KELLY COCK. RIH W/  
CORE BARREL. MEASURED IN HOLE. CORRECTED DEPTH 31'. 6165'  
= 6134'. WASHED 30' TO BOTTOM & CIRCULATED. CORED 6134-  
6161'.  
FM: SH, ANH, DOL.

07-07-85

6218' TD. (57'). 12D. MW 11.1. VIS 47. WO SCHLUMBERGER  
ART.  
CORED 6161-6194'. POH. LD CORE & CORE BARREL. CORE #1 -  
6134-6194'. CORED 60', RECOVERED 54'. RIH W/BIT. WASHED 3'  
TO BOTTOM & CIRCULATED. DRILLED TO 6218' TD. CIRCULATED FOR  
LOGS. POH. WO SCHLUMBERGER.

07-08-85

6218' TD. (0'). 13D. MW 11.3. VIS 56. CIRC, WO PARTNERS  
ART.  
WO SCHLUMBERGER. LOGGED. TIH W/BIT. CIRCULATED & WO  
ORDERS.  
SALT WATER INTO MUD SYSTEM. CONTAMINATED 180 BBLs OF MUD.  
WELL FLOWED SALT WATER. KILLED WELL. RAISED MUD WEIGHT TO  
11.3. KILLED WATER FLOW.

07-09-85

6218' TD. 14D. PREP TO SET DRY HOLE MARKER ART.  
CIRCULATED & WOO. MADE 25 STD SHORT TRIP. CIRC & WOO. TOH  
& LD OC'S. TIH OPEN-ENDED. CIRC. SET 1ST & 2ND PLUGS & LD  
DP. WOC & TAGGED 2ND PLUG @ 5450'. FINISHED LAYING PLUGS &  
LD DP. NO BOP'S & CLEANED PITS. RIG RELEASED @ 4:00 A.M.,  
7/9/85.  
SET PLUGS AS FOLLOWS:

6218-6020'	70 SX CL "G" CMT
5872-5672'	70 SX CL "G" CMT + 3%CACL
4687-4587	35 SX "
2700-2600	35 SX "
2270-2170	35 SX "
50-SURF	20 SX "

07-10-85

CUT OFF 8-5/8" CASING, WELDED ON STEEL PLATE AND ERECTED DRY  
HOLE MARKER. FENCED RESERVE PIT. LOCATION WILL BE RESTORED  
WHEN CONDITIONS PERMIT.  
WELL PLUGGED & ABANDONED.

FINAL REPORT

\*\*\*\*\*END OF REPORT\*\*\*\*\*

WELL NAME BUG POINT #1-7 FED.  
FIELD/PROSP LAKE CANYON PROSP.  
COUNTY NAME SAN JUAN CO., UT.  
TARGET ZONE DESERT CREEK OP-MCO  
PTD 6220'  
DEPTH

WELL TYPE EXPLORATORY  
WELL STATUS DRILLING  
WELL OBJECTIVE OIL  
EST. DAYS 16 ELAPSED DAYS: HRS:

RECEIVED

===== OPERATIONS IN SEQUENCE =====

06-25-85-----10-25 1985

NEW LOCATION: 2450' FNL & 1680' FEL  
SEC. 7, T37S, R26E, SL8M  
SAN JUAN COUNTY, UTAH

DIVISION OF OIL  
GAS & MINING

MAKING LOCATION. PREP TO MI COLEMAN RIG #4. ANTICIPATE  
SPUDDING 6/26/85. GL - 6219'.

06-26-85-----  
310'. (236'). 1D. MW H2O. DART.  
RIGGED UP. DRILLED RAT & MOUSEHOLE. PU BHA. SPUDDED @  
10:00 P.M., 6/25/85. DRILLED 236' FM. (16" CONDUCTOR SET @  
74'.) REPAIRED PUMP. SURVEYED.  
FM: LM, ANHY, SD.  
DEVIATION: 1/4 DEG @ 140'.

NOTE: KB = 14'. GL - 6219'.

06-27-85-----  
1030'. (720'). 2D. MW - H2O. DART.  
DRILLED. DROPPED PIN IN HOLE OFF DRILL COLLAR CLAMP. TOH &  
NO MAGNET. TIH W/MAGNET & FISHED OUT PIN. DRILLED.  
SERVICED RIG. DRILLED. SURVEYED. DRILLED. REPAIRED TONG  
LINE. DRILLED TO 1030'.  
FM: SD, ANHY.  
DEVIATION: 3/4 DEG @ 648'.

06-28-85-----  
2214'. (1184'). 3D. MW - H2O. DART.  
DRILLED. SURVEYED @ 1130'. DRILLED. SERVICED RIG.  
DRILLED. SURVEYED @ 1649'. DRILLED. DRILLED FROM 1400' -  
1950' W/PARTIAL RETURNS, LOST APPROX. 2000-2500 B WATER.  
FM: SD, ANHY, SH.  
DEVIATION: 3/4 DEG @ 1130'. 3/4 DEG @ 1649'.

06-29-85-----  
2265'. (51'). 4D. MW H2O. DART.  
DRILLED. BIT LOCKED. CIRC. POH. LD 8" DC & 12-1/4" BIT.  
RAN 54 JTS (2224.50') 8-5/8" 24# J-55 STEEL, SHOE (1.10').  
TOTAL - 2225.60'. SET CASING SHOE @ 2224', INSERT @ 2183',  
5 CENTRALIZERS. PUMPED 20 BBLs ZONE-LOC, CEMENTED W/880 SX  
LITE CMT W/2% CACL2, 1/4#/SK FLOCELE FOLLOWED BY 275 SX "8"  
CMT W/2% CACL2. CIP @ 3:00 P.M. 14 BBLs CMT RETURNS TO  
SURF. WOC. INSTALLED WELLHEAD & BOPE. TESTED BOPE @ 1000#  
- O.K. RIH. TESTED CSG & PIPE RAMS. CO CMT (48').  
DRILLED.  
FM: SD, SH.  
DEVIATION: 1 DEG @ 2204'.

06-30-85-----  
3383'. (1118'). 5D. MW H2O. DART.  
DRILLED. SURVEYED. DRILLED. SURVEYED - N.G. DRILLED.  
SURVEYED. DRILLED TO 3383'.  
FM: SH, SD.  
DEVIATIONS: 3/4 DEG @ 2700', 1/2 DEG @ 3214'.

07-01-85-----  
4291'. (908'). 6D. MW H2O. DART.  
DRILLED. SERVICED RIG. DRILLED. SURVEYED. DRILLED.  
SURVEYED. DRILLED.  
FM: SH, SD, CHT, LM.  
DEVIATIONS: 1 DEG @ 3711', 1 DEG @ 4230'.

07-02-85-----  
4923'. (632'). 7D. MW H2O. DART.  
DRILLED. SERVICED RIG. DRILLED. TRIPPED. WASHED 150' TO  
BTM. DRILLED. REPAIRED VALVE. DRILLED. SURVEYED.  
DRILLED TO 4923'.  
FM: SH, SD, LM.  
DEVIATION: 3/4 DEG @ 4729'.

07-03-85-----  
5593'. (670'). 8D. MW 8.7. VIS 35. DART.